

**IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT
SANGAMON COUNTY, ILLINOIS**

| | | |
|----------------------------------|---|-----------------------|
| ACC OF ILLINOIS TRANSPORTATION |) | |
| LLC; RUNWAY LOGISTICS SERVICES, |) | |
| INC.; HANDS TO HEART LLC; |) | Case No. 2024LA000270 |
| RELIAVAN LLC; FADE EXPRESS, LLC; |) | _____ |
| PIFF PATCH, INC.; AND MOETTA'S |) | |
| TRANSPORTS, LLC, |) | |
| |) | |
| Plaintiffs, |) | |
| |) | |
| and |) | |
| |) | |
| ILLINOIS DEPARTMENT OF |) | |
| AGRICULTURE, |) | |
| |) | |
| Defendant. |) | |

COMPLAINT

ACC OF Illinois Transportation LLC, Runway Logistics Services, Inc., Hands to Heart LLC, Reliavan LLC, Fade Express, LLC, Piff Patch Inc., and Moetta's Transports, LLC (collectively, "Plaintiffs"), by and through their undersigned counsel, hereby submit this Complaint against Defendant, the Illinois Department of Agriculture, and state as follows:

NATURE OF ACTION

1. This civil rights action arises from the Illinois Department of Agriculture's ("IDOA") implementation and administration of the Cannabis Regulation & Tax Act, 410 ILCS 705/ ("CRTA"), which established a regulated framework for the cultivation, distribution, and sale of adult-use cannabis in Illinois; the discriminatory impact that IDOA's discretionary decisions had, and continue to have, on minority and/or women-owned independent cannabis transporters licensed under the CRTA; and the IDOA's culpability under the Illinois Civil Rights Act of 2003, 740 ILCS 23 ("ICRA") in making the independent cannabis transport license virtually worthless in the billion dollar Illinois cannabis marketplace.

2. Ultimately, the responsibility for the destruction of the largely minority and/or women-owned independent transporters – those transporter licensees who do not hold other Illinois Cannabis Business Establishment licenses which would permit them to grow, manufacture, infuse or dispense adult-use cannabis (“Independent Transporters”) - lies with the IDOA. Plaintiffs, who are part of this group, deserve to be compensated for the damages they sustained and continue to sustain as a result of the IDOA’s implementation and administration of the CRTA with respect to the cannabis transport licenses.

3. The Illinois Adult Use Cannabis Industry Disparity Study (the “Disparity Study”), released in July of 2024 by the Illinois Cannabis Regulation Oversight Officer, found that of the eighty-five (85) transporters awarded licenses between January 2020 and January 2023, fifty-nine (59) transporters, representing 69% of all licenses awarded during that time, were minority-owned. In order to be minority-owned, at least 51% or more of the ownership of the entity holding the cannabis transporter license must be owned by minority individuals. In order to be women-owned, at least 51% or more of the ownership of the entity holding the cannabis transporter license must be owned by women.

4. On information and belief, of the now eighty (80) Independent Transporters listed as licensed by the IDOA, about the same percentage are minority-owned. Specifically, fifty-five (55) transporters, or 68.8% of Independent Transporters, are minority and/or women-owned. The race of the owners could not be identified for seven (7) Independent Transporters, or 8.8% of the total number of licensed Independent Transporters.

5. The CRTA’s mandate is to “[a]chiev[e] equity through ownerships and licensure.” *Adult Use Cannabis Summary*, available at https://www2.illinois.gov/IISNews/20242-Summary_of_HB_1438__The_Cannabis_Regulation_and_Tax_Act.pdf.

6. In fact, the CRTA expressly found that historically, the medical cannabis industry “has shown that additional efforts are needed to reduce barriers to ownership” and that the ownership of medical-use licenses did not “not sufficiently meet the General Assembly’s interest in business ownership that reflects the population of the State of Illinois” and “demonstrates the need to reduce barriers to entry for individuals and communities most adversely impacted by the enforcement of cannabis-related laws.” 410 ILCS 705/7-1.

7. Nevertheless, IDOA has taken numerous discretionary actions that have had the opposite effect.

8. For example, one of the most inequitable discretionary decisions the IDOA made was on April 30, 2020, when the IDOA released custom, abbreviated transporter license applications with permanently lower compliance obligations to the twenty-two (22) majority white and male-owned Medical Cultivation Centers (“MCCs”) already licensed to grow and manufacture cannabis.

9. The IDOA’s issuance and subsequent approval of these custom, “quickie” MCC transporter applications on July 15, 2021, *before* the IDOA had licensed and/or approved for operations a single Independent Transporter, was the proverbial nail in the coffin for the minority and/or women-owned Independent Transporters, including the Plaintiffs.

10. Significantly, the CRTA is silent as to *when* the IDOA had to issue transporter applications to the MCCs (“MCC Transporter Application”), meaning the IDOA could have used its discretion and waited for the Independent Transporters to get up and running with some customers before issuing the MCC Transporter Applications to the MCCs, but it did not.

11. Because of the IDOA’s unnecessarily lengthy processing time and contradictory information requests post-licensure and pre-operation, which did not apply to MCCs, it took Plaintiffs around a year to be approved to begin operations.

12. By that time, the MCCs, who were quickly approved for operations, were already transporting their own cannabis around the State using their own IDOA-issued transporter licenses and had been doing so for well over a year.

13. As such, there was no practical or business-related reason for the MCCs, who at the time controlled nearly 100% of the medical and adult use cannabis market in Illinois, to use an Independent Transporter.

14. Without a customer base, Independent Transporters had no opportunity to achieve commercial success or to pay off accumulated debt related to applying for their license or running the business.

15. Further, the IDOA created a permanent, significantly higher compliance burden for Independent Transporters because it did not require the MCCs to submit the same long, tedious application that the Independent Transporters completed.

16. Whereas MCCs have to comply in perpetuity with only *two* exhibits required by the IDOA's custom-made application, Independent Transporters must comply with over *fifteen* plans and exhibits they submitted – *in perpetuity* – at the risk of IDOA fines and/or loss of license.

17. Additionally, the IDOA does not permit Independent Transporters to store cannabis and cannabis products between deliveries. The IDOA has interpreted the language prohibiting “transporting to any person other than...[other licensees]” to mean that Plaintiffs and other Independent Transporters cannot store cannabis or hold products for any period of time in between transports from one licensed cannabis operator to another; however, the CRTA is silent as to storage. In fact, the concept of storage between transports is not discussed anywhere in the relevant section, Article 40 (Transporting Organizations), of the CRTA.

18. This restriction puts Independent Transporters at a competitive disadvantage to “in house” transporters who can store cannabis in between deliveries in facilities attached to their other

cannabis licenses. The IDOA’s position runs counter to the CRTA’s mandate that the IDOA must not “impos[e] an undue burden” on licensees.

19. Given the law and these facts, the IDOA could have reasonably allowed transporters to have a storage facility linked to their license, with appropriate restrictions on storage amounts, security, and the length of storage time.

20. This IDOA discretionary decision prohibiting storage in between transports severely limits Plaintiff Independent Transporters’ ability to effectively cut costs and otherwise improve efficiency for cannabis transports.

21. The downstream effect of these IDOA decisions, as well as others detailed in this Complaint, made the Independent Transporters more expensive and difficult to use, which is why the Independent Transporters still have little-to-no business today.

22. Among those most substantially and negatively impacted by the IDOA’s administration of the CRTA are the Plaintiffs in this case, who poured their savings, time, and hope into launching cannabis transporter businesses without knowing that the IDOA’s administration of the CRTA would create a virtually impenetrable barrier to entry into the cannabis marketplace.

23. The consequences of IDOA’s discretionary actions are significant. On information and belief, there are only two (2) active minority and/or women-owned Independent Transporter cannabis businesses in the entire State of Illinois: Hands to Heart LLC (“Hands to Heart”) and Piff Patch Inc. (“Piff Patch”). For purposes of this Complaint, “active” is defined as conducting at least one (1) cannabis transport per week in 2024.

24. To be clear, while Plaintiffs Hands to Heart and Piff Patch are active businesses, they are struggling to remain afloat.

25. ACC of Illinois LLC (“ACC of Illinois”) was active but is currently disputing a license fee the IDOA says is owed from before fees were paused legislatively.

26. The rest of the Plaintiffs have either earned a *de minimis* amount of revenue or no revenue at all as a direct consequence of IDOA's decisions.

27. Nevertheless, in 2023, licensed transporters paid the IDOA \$826,799 in licensee fees, agent identification card fees, and more, according to the Cannabis Regulation Oversight Office's FY2024 Annual Cannabis Report.

28. In comparison, all twenty-one (21) out of twenty-two (22) MCCs have transport licenses that are active and that the MCC's regularly use in conjunction with their cannabis businesses.

29. The numbers speak for themselves; however, a statistical analysis of the data shows that the observed difference in active status between Independent Transporters and MCCs is statistically significant and unlikely to occur by chance.

30. The IDOA's implementation, administration, and application of the CRTA has had and continues to have a demonstrable, disparate, and adverse impact on Plaintiff Independent Transporters, in the form of lost money, time, and resources.

PARTIES

31. Plaintiffs all applied for and were awarded Illinois adult-use cannabis transporting organization licenses ("Illinois cannabis transporters") from the IDOA as qualified Social Equity Applicants ("SEAs") under the CRTA.

32. Plaintiffs have already received their licenses, paid the associated expensive licensing fees and other costs, and have been approved to begin operations by the IDOA.

33. Some Plaintiffs are generating inconsistent, irregular, small amounts of revenue that do not sustain their business and leave them accumulating debt and losses. Some are not generating any revenue at all. For purposes of this Complaint, these Plaintiffs are considered "inactive."

34. Plaintiffs do not have any other type of Illinois cannabis license, meaning their businesses are exclusively focused and reliant on transporting cannabis for other cannabis license holders throughout the State of Illinois. This is why they are considered to be “Independent” Transporters.

35. Plaintiffs are each minority and/or women-owned, meaning 51% or more of the ownership of the entity identifies as minority and/or women.

36. “Minority,” as used herein and as defined in the Disparity Study released in July 2024, means “Black, Asian, Indigenous, Hispanic, and Other M/W Business Enterprises...”

37. Plaintiff Reliavan LLC is an Illinois limited liability company that holds one (1) Illinois cannabis transporter license.

38. Plaintiff ACC of Illinois is an Illinois limited liability company with its principal place of business in Chicago, Illinois, that holds one (1) Illinois cannabis transporter license.

39. Plaintiff Piff Patch is an Illinois corporation with its principal place of business in Oak Park, Illinois, that holds one (1) Illinois cannabis transporter license.

40. Plaintiff Hands to Heart is an Illinois limited liability company with its principal place of business in Schaumburg, Illinois, that holds one (1) Illinois cannabis transporter license.

41. Plaintiff Fade Express, LLC (“Fade Express”) is an Illinois limited liability company with its principal place of business in Chicago, Illinois, that holds one (1) Illinois cannabis transporter license.

42. Plaintiff Moetta’s Transports, LLC (“Moetta’s Transport”) is an Illinois limited liability company with its principal place of business in Brookfield, Illinois, that holds one (1) Illinois cannabis transporter license.

43. Plaintiff Runway Logistics Services, Inc. (“RLS”) is an Illinois corporation with its principal place of business in Chicago, Illinois, that holds one (1) Illinois cannabis transporter license.

44. Defendant the Illinois Department of Agriculture (“IDOA”) is an Illinois government entity entrusted with, among other things, licensing and regulating Illinois cannabis transporters under authority derived from the CRTA.

JURISDICTION AND VENUE

45. Jurisdiction and venue are proper in Sangamon County, Illinois under 735 ILCS 5/2-209 and 735 ILCS 5/2-101 because the IDOA has an office in Sangamon County and purports to regulate licensed Illinois cannabis transporters from that office.

FACTS

Illinois Legalizes Cannabis for Medical Use

46. On August 1, 2013, then-Illinois Governor Pat Quinn signed the Compassionate Use of Medical Cannabis Pilot Program Act into law, making Illinois the 20th state to establish a program for the cultivation and dispensing of cannabis for medical purposes via a statewide Medical Cannabis Registry Program that allowed patients access to medical cannabis if they met one of the qualifying conditions, a list of which has been updated over time.

47. The Compassionate Use of Medical Cannabis Pilot Program Act authorized the IDOA to ultimately issue twenty-two (22) cultivation centers, and the Illinois Department of Financial and Professional Regulation (hereinafter, “IDFPR”) to issue licenses to sixty (60) dispensing organizations to be located throughout the State. *See* https://cannabis.illinois.gov/content/dam/soi/en/web/cannabis/documents/idoa/List_of_Licensees_with_Construction_and_Operational_Status.pdf

48. The IDOA issued eighteen (18) medical cannabis cultivation center licenses (“MCC Licenses”) to MCCs on February 2, 2015, and later issued three (3) additional licenses in December of 2019, for a total of twenty-one (21) MCC cultivation licenses. There are currently twenty-two (22) Cultivation Center Licenses. *See id.* The IDFPR issued MCCs fifty-five (55) medical-only (at the time) dispensary licenses.

49. MCCs were authorized to acquire, possess, cultivate, manufacture, deliver, transfer, supply, or sell cannabis to registered dispensing organizations subject to state law.

50. On August 9, 2019, Illinois Governor J.B. Pritzker signed into law Illinois Senate Bill 2023, the Illinois Compassionate Use of Medical Cannabis Program Act which amended and made permanent the Compassionate Use of Medical Cannabis Pilot Program Act.

51. The MCCs are now some of the largest and most successful fully vertical, multi-state cannabis companies and brands in the world. Because of this, Chicago has been nicknamed by some the “Silicon Valley of Cannabis.”

**Illinois Legalizes Adult-Use Cannabis under
the CRTA with Several License Types and IDOA Oversight**

52. In 2019, the Illinois General Assembly legalized adult-use cannabis (effective January 1, 2020) via the CRTA, which was designed to advance the interests of Social Equity Applicants, defined as those “individuals and communities most adversely impacted by the enforcement of cannabis-related laws [].” 410 ILCS 705/7-1(a).

53. Under the CRTA, a Social Equity Applicant or “SEA,” is an applicant entity that is majority-owned by person(s) who, for example, either lived in certain zip codes designated as disproportionately affected by the “War on Drugs,” or who had prior cannabis convictions or family members with such convictions. 410 ILCS 705/1-10.

54. The CRTA authorized several adult-use cannabis license types, including adult-use dispensing organizations (aka “dispensaries”), craft growers (aka “craft growers”), infuser organizations, and transporting organizations (aka “transporters”). 410 ILCS 705/30-5.

55. The CRTA required the IDOA to implement, administer, and enforce provisions of the CRTA relating to cannabis licenses, including transporters. 410 ILCS 705/5-10.

56. An adult-use transporting organization is a business that is licensed by the IDOA to transport cannabis or cannabis-infused products on behalf of a cannabis business establishment. 410 ILCS 705/1-10.

57. The IDOA holds significant discretionary authority over cannabis transporters. This discretionary power allows the IDOA to establish and enforce rules, oversee compliance, and conduct inspections, among other things.

58. The CRTA provides that the “Department of Agriculture shall administer and enforce provisions of this Act relating to the oversight and registration of ... transporting organizations ...” (410 ILCS 705/5-10) and “*may* revoke, suspend, place on probation, reprimand, issue cease and desist orders, refuse to issue or renew a license, or take any other disciplinary *or nondisciplinary action as [it] may deem proper* with regard to a cannabis business establishment . . .” 410 ILCS 705/45-5 (emphasis added).

59. As argued by the IDOA itself in *Teridon Solutions LLC, et al. v. Illinois Department of Agriculture, et al.*, Case No. 2023CH000016 (August 14, 2023) brought against the IDOA by licensed cannabis transporters in 2023: “...the Cannabis Act gives the Department discretion with respect to the executive function of initiating and pursuing ... enforcement of the Act’s terms.”

60. The Illinois Administrative Code also discusses agency discretionary powers in Section 5-20, “[i]mplementing discretionary powers” (emphasis added).

61. In short, the IDOA possesses the authority to, and in fact does, exercise significant discretion in its administration of the CRTA with respect to Independent Transporters, including the Plaintiffs.

Social Equity is Touted as the Heart of the CRTA

62. To facilitate participation in the nascent adult-use cannabis industry by people disproportionately affected by the “War on Drugs,” the State announced a scored application process using a point system that would favor SEAs. Specifically, an applicant would earn 200 points for SEA status towards the total points needed for the IDOA to award the license.

63. As a result, most licensees identified Social Equity Applicant majority ownership (“SEA Licensees”) in their applications, as evidenced by the fact that in the first tranche of licenses, the State found that: “Of those eligible to receive the licenses for craft grower, infuser and transporting organization licenses, 67% identify as non-white and 100% are qualified social equity applicants.”

64. Diverse ownership of cannabis licenses was at the time, and still continues to be, both a concern and a point of emphasis for the Governor of Illinois and every legislator or politician involved in passing the CRTA.

65. As such, the CRTA has a built-in requirement and mechanism to analyze discrimination in the cannabis industry in the form of: “The Illinois Cannabis Regulation Oversight Officer [who] shall commission and publish one or more disparity and availability studies that: (1) evaluates whether there exists discrimination in the State’s cannabis industry; and (2) if so, evaluates the impact of such discrimination on the State, and includes recommendations to the Department of Financial and Professional Regulation and the Department of Agriculture for reducing or eliminating any identified barriers to entry in the cannabis market. Such disparity and availability studies shall examine each license type ... and shall be initiated within 180 days from

the issuance of the first of each license authorized by those Sections. The results of each disparity and availability study shall be reported to the General Assembly and the Governor no later than 12 months after the commission of each study.” ILCS 705/5-45(e).

66. On or about August 19, 2022, Governor Pritzker stated: “Illinois is a pioneer, leading the way in cannabis legalization that is equity-centered. With all 185 conditional licenses now in the hands of social equity applicants, we have reached a tremendous milestone. Now, we look forward to getting these businesses up and running, creating jobs in the communities most harmed by the failed drug war, and cementing ownership in Illinois’ cannabis industry as the most diverse in the nation.”

Cannabis Transporter Licenses Are Made Available under the CRTA

67. Applicants that scored at least 75% of the points required on the cannabis transporter application were to be awarded a transporter license by the IDOA within 60 days of submitting the application per the CRTA, without a cap on the number of transporter licenses issued. 410 ILCS 705/40-15(c).

68. The unlimited nature of the transporter license, the lower application fees as compared to other license types, and the 75% threshold for approval (as opposed to 100%), made the transporter license attractive to those looking for the surest and lowest-cost successful entry into the cannabis marketplace.

69. In addition, the cannabis marketplace appeared set up for Independent Transporters to succeed because the CRTA prohibited MCCs from transporting their own product without a transport license after July 1, 2020 (410 ILCS 705/20-30(m)), and there was a significant statutory restriction on the distance that craft growers could transport their own cannabis as well. 410 ILCS 705/30-30(k).

70. On information and belief, both the IDOA and politicians touted the benefits of transporter licenses to social equity applicants in particular, marketing the transporter license as having a lower barrier to entry than the other license types, as providing a necessary service to other cannabis businesses, and as a license that would be valuable and financially viable in both the short and long-term.

71. None of that turned out to be true because the IDOA's administration of the CRTA with respect to Independent Transporters made them logistically and financially dispensable and redundant within the Illinois cannabis marketplace.

72. A plaintiff in prior 2023 transporter litigation, *Teridon Solutions LLC, Inc. v. State of Illinois, et al.*, described the impossible framework imposed on Independent Transporters in an email attached as an exhibit to the complaint, stating: "we were told by the state that our opportunities would come from other licenses coming online, but if they are coming online and not providing opportunity ... then where does that leave the third party transporter? ... We literally can not compete ..."

Plaintiffs Pursue a Lengthy and Expensive Application Process

73. Completing the transporter application demanded considerable financial resources, time, and effort from the Independent Transporters.

74. The application required detailed plans, each of which were to be reviewed and scored for purposes of achieving the 75% minimum point threshold required for the IDOA to issue a transporter license under the CRTA.

75. Applicants had to submit documents responsive to the following fifteen (15) areas to be awarded a transporter license, excluding any follow up information required by the IDOA:

- a. *Business Plan* (180 points), which required the Applicant to "(1) demonstrate that the proposed vehicles are suitable for the effective and safe transportation

of cannabis containers; (2) demonstrate the ability to meet consumer demand for transporting services in an effective and efficient manner; and (3) describe a business plan that will provide and ensure adequate staffing and experience, including employment plan that will lead to the hiring of minorities, women, veterans and persons with disabilities, and will engage in fair labor practices, and provide worker protections.”

b. *Suitability of Employee Training Plan* (160 points), which required the Applicant to “(1) describe a staffing plan that will ensure staffing meets the experience and security needs of operating a transporting organization; and (2) describes a training plan for employees including an employee handbook that will provide employees with a working guide for the day-to-day administration of personnel policies and practices; and training for security, recordkeeping, diversion prevention, and best practices to prevent sale of cannabis to minors.”

c. *Security and Recordkeeping Plan* (200 points), which required the Applicant to “(1) demonstrate its ability to prevent the theft or diversion of cannabis and how the plan will assist ISP, Department, and local law enforcement; (2) demonstrate that its plan for record keeping, tracking and monitoring inventory, quality control and security and other policies and procedures will discourage unlawful activity.”

d. *Social Equity Applicant* (200 points), which required the Applicant to demonstrate their qualifications for social equity applicant status via one of four methods, each of which required that the social equity applicant demonstrate Illinois residency. If demonstrated through residence in a Disproportionately Impacted Area, the applicant was required to submit documents going back five years or more, including tax filings, voter registrations, leases, mortgages, paycheck stubs, utility bills, insurance forms, or school records. If demonstrated through an arrest for, conviction of, or adjudication of delinquency

for any offense that is eligible for expungement under Public Act 101-0027 of the applicant or the applicant's a parent, legal guardian, child, spouse, or dependent, the applicant was required to provide evidence of such offense. If demonstrated through the employment of social equity applicants, the applicant was required to have ten (10) or more full-time employees, and provide evidence, on a per-employee basis, that at least 51% of those employees (1) currently reside in a Disproportionately Impacted Area; (2) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under Public Act 101-0027; or (3) are members of an "impacted family" as that term is defined in Public Act 101-0027.

e. *Labor and Employment Practices Plan* (20 points), which required the Applicant to "[p]rovide a plan to provide a safe, healthy and economically beneficial working environment for its employees, including but not limited to, its plans regarding workplace safety and environmental standards, codes of conduct, healthcare benefits, educational benefits, retirement benefits, living wage standards and entering a labor peace agreement with employees."

f. *Environmental Plan* (20 Points), which required the Applicant to "(1) provide its plan to use hybrid or electric (zero-emission) vehicles and; (2) describe its plans to minimize its carbon footprint, environmental impact, and resource needs for the transporter, including its plan to recycle cannabis product packaging."

g. *Illinois Resident Controlled or Owned* (100 points), which required the Applicant to "provide tax records proving the facility will be 51% controlled or owned by an individual or individuals who have been an Illinois resident for each of the past 5 years."

h. *Veteran Controlled and Owned* (20 points), which required the Applicant to "provide evidence proving the facility will be 51% controlled and owned by a veteran,

as defined in Section 45-57 of the Illinois Procurement Code (30 ILCS 500).” This often required applicants to retrieve DD 214, Certificate of Release or Discharge from Active Duty, which for many older applicants did not exist or required the applicant to engage in a lengthy back and forth with the U.S. Department of Veterans Affairs. *Diversity Plan* -- (100 points), which required the Applicant to “provide a narrative that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity.”

i. *Bonus Section* (2 points), which required the Applicant provide a “... plan to engage with the community.”

j. *Notice of Proper Zoning*, which required the Applicant to identify a proposed zoning-compliant property for their prospective transporting organization license facility and to receive proof by the local zoning authority that the property is zoning compliant.

k. *Financial Interest Disclosure*, which required the Applicant to provide various legal documents related to the formation of the entity applying for the license, including documents like Certifications of Good Standing, Articles of Incorporation or Organization, disclosure of any pertinent contracts entered into on behalf of the transporting organization license, and “disclosure of all sources of funding used to acquire or develop the Transporter business and documentation of such funding.”

l. *Principal Officer or Board Member Disclosure Statement*, which required each principal officer and board member of the applicant to provide various attestations related to their personal life, including but not limited to whether they have ever filed bankruptcy, defaulted on alimony or child support, whether there are any tax liens against properties owned by the Principal Officer or Board member, and whether the

individual was convicted, censured, or had a registration or license suspended or revoked?

m. *Notarized Statement*, which among other things, required that applicants attest that the information provided in their application “becomes a mandatory condition of the license and that if the successful Applicant (licensee) fails to comply with standard and special conditions of the license, the Department may assess a penalty or seek suspension or revocation of the license pursuant to Section 1300.600, et al, of the rules”, which effectively locked applicants into plans created pre-COVID-19 pandemic.

n. *Fingerprint Consent Form*, which required each principal officer and board member to be fingerprinted in the State of Illinois, and at their own cost, be subjected to a criminal background check.

(collectively, the various plans and documents required for the transporter application will be hereinafter referred to as the “Plans”).

76. The fee for submitting an application for a transporter organization license was \$5,000.00 USD, with a 50% reduction in the fee if the applicant qualified for SEA status. Upon award of the license, the licensee was then required to pay another \$10,000 prior to the issuance of the license, and a \$10,000 yearly renewal fee thereafter. The yearly renewal fee was eventually paused pursuant to PA 103-578 (SB 1559) for the years 2024-2027; however, the IDOA took the position that the renewal fees for the remainder of 2023 were still due, continuing to put financial hardship on minority and/or women-owned Independent Transporters like ACC of Illinois.

77. In addition to the fee, most applicants, and all of the Plaintiffs, spent significant time and money on their applications, including paying consulting firms and law firms for assistance with their application.

**The IDOA Used Its Discretion to Create and Issue
a Custom “Quickie” Transporter Application to MCCs**

78. Section 40-15(c) outlines the transporter application process for applicants and MCCs: “Applicants for transporting organization licenses that score at least 75% of the available points according to the system developed by rule *and meet all other requirements for a transporter license* shall be issued a license by the Department of Agriculture within 60 days of receiving the application. Applicants that were registered as medical cannabis cultivation centers prior to January 1, 2020 and *who meet all other requirements for a transporter license* shall be issued a license by the Department of Agriculture within 60 days of receiving the application.” (emphasis added).

79. Section 40-15(c) refers to only one transporter application and the only difference noted in the process for the MCCs was that the MCC applicant did not have to meet a 75% threshold on its application to be approved. Essentially, the MCC application was to be “ungraded.”

80. The CRTA does not contemplate separate and substantially different transporter applications for MCCs versus all other transporter applicants.

81. Despite this, and even though the MCCs were required to “meet all other requirements for a transporter license” just like the Independent Transporters, the IDOA created an abbreviated custom application for the MCCs that only required the MCCs to submit their contact information and two (2) exhibits related to their transport plans. See MCC Transporting Organization License Application, attached at Exhibit A.

82. Notably, the IDOA sent the abbreviated MCC Transporter Application to the MCCs on April 30, 2020, the same day the Independent Transporters had to submit to the IDOA their comprehensive transport license applications, plans, and exhibits.

83. Apart from creating a significantly higher transporter application cost for the Independent Transporter applicants as compared to the MCCs, because the CRTA states that “[a]ny variation from or failure to perform such plans may result in discipline, including the revocation

or nonrenewal of a license,” (410 ILCS 705/20-20(c)), the two different applications created a substantive ongoing difference in the IDOA’s treatment of the Independent Transporters.

84. The significance of the IDOA’s decision to create and issue two different transporter applications, one for MCCs and one for everyone else, that bound the applicants to their business and compliance submissions in perpetuity pursuant to the CRTA, cannot be understated.

85. The fewer plans an applicant submits (i) the more flexibility the applicant has in designing, launching, and running its business both in the short and long-term; and (ii) the fewer plans with which the applicant must comply to remain in good standing with the IDOA.

86. Thanks to the IDOA’s use of two very different applications with binding compliance obligations in perpetuity, MCCs have the benefit of *maximum flexibility* (having submitted only two (2) exhibits), while Independent Transporters have *no flexibility* (having submitted fifteen (15) exhibits, including nine (9) substantive plans, without counting any corrective and/or additional submissions responsive to IDOA deficiency notices or requests for additional information).

87. The IDOA has done nothing to address this inequity or the resulting problems it has caused.

88. Until pursuing this lawsuit, none of the Plaintiffs knew that the IDOA had given the MCCs a custom, “quickie” application different from their application.

89. Significantly, consultant Amber Lengacher submitted a request under the Freedom of Information Act, 5 ILCS 140 (“FOIA”) on November 20, 2023 to confirm this notion, requesting “copies of the cannabis cultivation center...transporter application.” In response, the IDOA provided only the “long application” - the same one all the Independent Transporters completed.

90. It was not until recently, after making another FOIA request, that the IDOA provided the abbreviated MCC Transporter Application.

Executive Orders Delay Transporter Applications and Approvals Due to the COVID Epidemic

91. Before the IDOA could approve the abbreviated MCC Transporter Applications in the CRTA-required 60-day window (by July 30, 2020), Governor Pritzker, via a series of executive orders issued as part of his Gubernatorial Disaster Proclamations related to the COVID pandemic, lifted the CRTA statutory prohibition on MCCs transporting cannabis without their own transporter license.

92. Pursuant to Executive Orders (“EO”) 2020-03 and 2020-17, the cannabis license application submission deadlines identified in the CRTA were delayed from March 16, 2020 to March 30, 2020, and then again, until April 30, 2020.

93. Another Executive Order a few months later, EO 2020-45, explained that this delay and the COVID epidemic negatively impacted IDOA’s “ability to issue the Craft Grower, Infuser, and Transporting Organization Licenses by July 1, 2020” as mandated by the CRTA. Because of this, the Executive Order lifted the prohibition on MCCs transporting their own cannabis without a license (so that the MCCs could begin transporting their cannabis immediately) and suspended indefinitely the IDOA’s statutory obligation to issue transporter and other licenses by the July 1, 2020 deadline.

94. This continued for over a year until the IDOA issued the MCCs their official transporter licenses on July 15, 2021. *See* FOIA Response: Redacted Approval Letter from IDOA to MCCs (July 15, 2021), at Exhibit B.

95. The IDOA’s response to a Freedom of Information Act (“FOIA”) request revealed that the IDOA issued transporter licenses to MCCs two (2) weeks *before* the IDOA issued the first nine (9) Independent Transporter licenses on August 2, 2021.

The Approved Independent Transporters Are Off to a Rocky Start

96. Things did not get any easier for the Plaintiffs, who still needed IDOA approval to begin transport operations.

97. The IDOA unnecessarily delayed post-licensure approval with persistent requests, demands, and delays. For example, while Plaintiff Hands to Heart finally received their license on August 2, 2021, they were not approved by the IDOA to begin operations until on or about October 26, 2022, *over a year later*, due to IDOA delays approving their security plan and transport vehicles.

98. On information and belief, the IDOA approved MCCs to begin using their new transportation licenses (“MCC Transporters”) shortly after licensure.

99. Once approved for operations, Plaintiffs found they were confronted with other disparities that made it incredibly difficult to run their transport businesses.

100. For example, the IDOA has taken the position that, under Section 40-25 of the CRTA requiring cannabis products be transported directly from one licensed cannabis business establishment to another, Independent Transporters are not permitted to store any amount of cannabis between deliveries, no matter how briefly; however, allowing Independent Transporters to briefly store limited amounts of cannabis *in between transports* is not incompatible with the CRTA’s language.

101. This restrictive interpretation by the IDOA is the consequence of the IDOA applying the CRTA in the least equitable way to the Independent Transporters – a violation of the CRTA itself.

102. Another IDOA discretionary process that negatively impacted Independent Transporters is related to the IDOA’s delay in issuing “agent cards” to their new hires.

103. Even though the CRTA provides that “[a]n agent applicant may begin employment at a transporting organization while the agent applicant’s identification card application is pending,” the IDOA has blocked Independent Transporters from putting their new hires on the road until they receive their IDOA agent identification cards from the State. Because of IDOA’s lengthy processing time, this can take several weeks.

104. Plaintiff Hands to Heart, by way of example, has been harmed by this delay because they have to pay wages to their new hires, who essentially cannot work, while they wait for the IDOA approval of each agent card.

105. When challenged on this, the IDOA blamed the delay on Biotrack, the seed-to-sale tracking system *it selected* for the State of Illinois. The IDOA said that Biotrack will not allow a third-party Independent Transporter to create a (mandated) manifest memorializing the delivery of cannabis without the IDOA-issued agent number for the new hire. Essentially, the IDOA said it was a system issue specific to Independent Transporters only, and that the IDOA could not “fix” it.

106. Whatever the cause, the delay is a violation of the CRTA, discriminatory, and within the IDOA’s discretion and ability to fix.

Frustrated SEA Transporters File a Lawsuit Against IDOA After Another Thirty-Three Transporter Licenses are Issued

107. The IDOA issued another 33 transporter licenses on January 19, 2023, in compliance with the CRTA bringing the total licensed transporters in Illinois to 222.

108. According to the IDOA, 85% of all new licenses under the CRTA at the time were SEA-owned.

109. On or about January 19, 2023, IDOA Director, Jerry Costello, in response to the new issuance of transporter licenses, stated: “The Department is pleased to see this industry continue to grow. They join the hundreds of Department licensees from the last two years in

building the foundation of the legal cannabis industry in Illinois... Our team remains highly focused on its core mission of developing a well-regulated and equitable industry.”

110. In reality, there was no continued growth for the Plaintiffs, and they did not consider their situations to be “equitable.”

111. None of the MCCs were engaging Independent Transporters for their services because the MCCs were transporting their own cannabis without issue, and outside of MCCs, there were only a handful of barely up-and-running craft grows, infusers, or dispensaries to provide business to Independent Transporters at the end of 2022.

112. It took Plaintiff Hands to Heart, the first minority and/or women-owned Independent Transporter that the IDOA approved for operations in late October 2022, four (4) months, or until February 2023, to get a single cannabis transport customer.

113. Pouring additional salt in the wound, the IDOA overcharged several Independent Transporters, including Plaintiff Piff Patch, which was entitled to a 50% discount on the initial transporter license fee owed to the IDOA under Section 7-20 of the CRTA, and when confronted, engaged in months of ignoring and stalling. To this day, Piff Patch has not received a refund from the IDOA.

114. The embattled state of the Independent Transporters at the time stood in stark contrast to Governor Pritzker’s pronouncements about the success of the cannabis social equity program in January 2023: “My administration remains committed to building the most equitable and economically prosperous cannabis industry in the nation. Since I signed the Cannabis Regulation and Tax Act into law in 2019, we’ve issued hundreds of licenses for craft growers, transporters, and dispensaries—a majority of which are social equity applicants. And today, I couldn't be happier to announce that the IDOA has issued an additional 33 transporter licenses - creating more good-paying jobs and setting the stage for a flourishing cannabis industry.”

115. As such, on May 16, 2023, a group of SEA transporters (both independent and multi-licensed) sued the IDOA in *Teridon Solutions, LLC, Inc. et al.* in an attempt to force the IDOA to enforce cannabis regulations against unlicensed and/or licensed but non-compliant cannabis transporters.

116. Specifically, the complaint alleged that despite repeated complaints by transporters, the IDOA did not take any action to stop other licensed operators from transporting their own cannabis either non-compliantly or without a transporter license.

117. The case was dismissed, in large part because of the IDOA's persuasive arguments about its ability to exercise discretion, including when to enforce the CRTA.

The SEA Transporters Look to the Legislature for Help

118. In addition to the aforementioned lawsuit, in the Illinois 2023 Legislative Veto Session in November 2023, transporters lobbied for and successfully passed legislation SB 1559, which paused transporter annual licensing fees to relieve some of the financial burden placed on transporters and also paused the issuance of any new transporter licenses until 2027.

119. On the passage of the bill, Governor Pritzker said on November 14, 2023: "The passage of SB1559 through both chambers of the General Assembly is another step towards guaranteeing Illinois is the home of an equitable legal cannabis system that does not disregard the injustices of the past. The two-year [sic] moratorium on new transporter licenses will allow the current, smaller independent transporters to secure contracts and grow their businesses. License holders will also have a two-year [sic] holiday from paying annual fees to further aid these small businesses as the industry develops. Since day one of the fight for legalization, I have stressed that this accomplishment is meaningless without reinvestment and repair for the communities left behind by the war on drugs. Small businesses, whether transporters, growers, or dispensaries, must be able to succeed if we wish to achieve that equity. This bill is another step on the ongoing path

towards achieving that goal, and I look forward to reviewing it when it reaches my desk.” The Governor signed the bill on December 8, 2023 and the law went into effect immediately.

**The Moratorium on Issuance of
New Transport Licenses Until 2027 Is Too Little, Too Late**

120. On information and belief, there are currently only two (2) out of fifty-five (55) active minority and/or women-owned Independent Transporters in Illinois: Hands to Heart and Piff Patch.

121. Even though they are “active” according the definition used in this Complaint, Plaintiffs Hands to Heart and Piff Patch are struggling to make enough money to even cover their monthly expenses, let alone recoup their initial investments in the businesses.

122. For example, Plaintiff Piff Patch’s majority owner, Kina Montgomery, leveraged \$167,000 from her pension, and to date, has only generated \$150,000.00 in gross revenue since being awarded operational status in April of 2023.

123. The other Plaintiffs have been largely unsuccessful at launching and/or sustaining their businesses despite having spent significant money and time on their efforts.

124. Plaintiff RLS just received its first contract in 2024 and has had no other cannabis business since then. RLS owner, Tray Watkins, is paying his licensing, costs, and other fees out of his personal funds.

125. Plaintiff Reliavan has spent more than \$100,000 applying for the license, paying for licensing fees, purchasing equipment, and has a monthly burn rate of \$2,000, but has generated \$0 in gross revenue and is negative on net revenue since being awarded operational status on July 15, 2023. Reliavan has never had a single cannabis transport contract with a customer.

126. Plaintiff Fade Express, like some of the other Plaintiffs, received a one-hundred and twenty-five thousand dollar (\$125,000) loan from the Direct Forgivable Loan Program (“Program”), administered by the Illinois Department of Commerce and Economic Opportunity

(“DCEO”), but it has used almost all of the funds. As of this filing, Fade Express expects to run out of money within three (3) months. Fade Express has not had a single cannabis transport contract since July of this year.

127. Independent Transporters, including Plaintiffs, have been completely locked out of applying for additional available funds under the Program since 2020.

**The Illinois Cannabis Regulation Oversight Officer
Commissions and Releases the CRTA- Mandated Disparity Study**

128. The Cannabis Regulation and Oversight Officer (“CROO”), who leads the Illinois Cannabis Regulation Oversight Office, is appointed by the Governor and serves a coordinating role among State agencies administering Illinois cannabis laws.

129. The CROO has the authority to, among other things: “make recommendations for administrative and statutory changes; ...[and] encourage, promote, suggest, and report best practices for ensuring diversity in the cannabis industry in Illinois.” 410 ILCS 705/5-45(b)(2), (6).

130. The CROO is required to “commission and publish one or more disparity and availability studies that: (1) evaluate whether there exists discrimination in the State’s cannabis industry; and (2) if so, evaluate the impact of such discrimination on the State...” 410 ILCS 705/5-45(e). The studies should “include[] recommendations to the Department of Financial and Professional Regulation and the Department of Agriculture for reducing or eliminating any identified barriers to entry in the cannabis market...[and must] examine each license type”

131. The CRTA required the study to be initiated within 180 days from the issuance of the first of each license authorized by those “Sections[] [and for] the results...[to] be reported to the General Assembly and the Governor no later than 12 months after the commission of each study.” 410 ILCS 705/5-45(e).

132. The IDOA issued the first transporter licenses under the CRTA on July 15, 2021 to the MCCs. This means the study with respect to transporters should have been initiated no later than Jan 11, 2022 (180 days from July 15, 2021) and the results should have been published twelve (12) months later, on January 11, 2023.

133. Instead, the CROO released the study (the “Disparity Study”) to the public on July 11, 2024, over two years after it was commissioned and over five (5) months late under the CRTA. *See* <https://cannabis.illinois.gov/news/press-release.26029.html>.

134. All five (5) adult use cannabis license types were analyzed - dispensing organizations, craft growers, infusing organizations, transporting organizations, and cultivation centers - across all licensing rounds within the study period of January 1, 2020, to January 31, 2023. According to the CROO, “[t]his thorough analysis provided insights into the distribution and disparities within the cannabis industry’s licensing process in Illinois.” *See* Disparity Study.

135. The Disparity Study examined “the participation and representation of racial and ethnic minority and women-owned firms in the Illinois cannabis industry.” The report’s findings “underscored the challenges faced by racial and/or ethnic minority and women entrepreneurs in accessing the cannabis market, securing financing, and navigating complex regulatory frameworks.” *See* Disparity Study, at 125.

136. The Disparity Study defined “discrimination” for purposes of the study as: “A specific policy or practice that has a harmful effect whether by omission or commission on individuals based on their race, ethnicity, or gender identity. The policy or practice, or lack thereof, can result in inequitable access to services, systems, and/or resources, which hence have a disparate impact (e.g., inability to secure a license).” *See id.* at p. 17, Table II-1.

137. For the time period considered by the report, January 1, 2020 through January 1, 2023 (the “Reporting Time Period”), there were “*observed disparities*” with respect to the

treatment of the minority and/or women-owned Independent Transporters, but because “many M/WBE licensees were not yet operational ... [because of] them not having sales, it [was] too early to determine whether the *observed disparities* are evidence of discrimination.” *Id.* at p. 125 (emphasis added).

138. Nevertheless, the Disparity Study concluded with both observations and recommendations that “transporters lacking other cannabis licenses face difficulties securing contracts. A third-party transportation mandate *would ensure these transporters obtain a fair market share, as prescribed in the CRTA.*” *Id.* at p. 132 (emphasis added).

139. The Disparity Study went on to say that implementing “a policy mandating the use of third-party transportation services for cannabis and cannabis-related products ... is consistent with the 40% retail rule, which limits vertically integrated businesses to sourcing no more than 40% of their retail items from a single supplier.” *Id.* at 132.

140. Giving another option for consideration, the Disparity Study said: “Likewise, transportation regulation would limit the quantity of products cultivation centers can self-transport. This policy aims to standardize and secure cannabis transportation.” *Id.* at 132.

141. The Disparity Study shows that Plaintiffs, as minority and/or women-owned Independent Transporters, have been disproportionately disadvantaged in the cannabis marketplace.

142. On information and belief, the IDOA has not taken any action based on the conclusions and recommendations in the Disparity Study with respect to Independent Transporters.

**The Updated Data from the Disparity Study Shows
a Statistically Significant Disparity Demonstrating Discrimination**

143. According to available public-facing identifying records and other information, as of the date of this Complaint, 68.8% of the Independent Transporters awarded transport licenses

are minority and/or women-owned, and just 3.6% of this group (Piff Patch and Hands to Heart) are active.

144. According to available published data in the Disparity Study through January 1, 2023, 93.7% of the MCC awarded transport licenses are white-owned and 85.7% male-owned. On information and belief, these MCC percentages have changed nominally, if at all, since January 1, 2023. 100% of the MCC Transporters are active.

145. When the disparate effect of policy or practice is so obvious or predictable, as it is here, the Supreme Court has found that comparative statistics are unnecessary to prove the claim.

146. Regardless, Plaintiffs have done their own research to identify the race and gender of the Independent Transporter license owners, and the race and gender of the MCC owners, and analyzed the data for evidence of disparate impact using a statistical method called “*Fisher’s Exact Test*.” Plaintiff’s analysis, comparing the active status of minority and/or women-owned Independent Transporters (2 out of 55) to the active status of MCC Transporters (22 out of 22) shows a statistically significant association between the two variables that requires explanation.

147. This statistically significant disparity can only be explained by the IDOA’s use and application of different criteria and methods of administration with respect to the Independent Transporters, who are largely minority and/or women-owned, as compared to their multi-licensed legacy counterparts.

COUNT I
Violation of the Illinois Civil Rights Act of 2003

148. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 147 as though fully set forth herein.

149. Plaintiff Independent Transporters, who are minority and/or women-owned and therefore part of at least one, but in some cases, two protected classes covered by the Illinois

Civil Rights Act of 2003 (“ICRA”), 740 ILCS 23, *et seq.*, have been virtually locked out of the Illinois cannabis industry; while MCCs, who are 93.7% white-owned and 85.7% male-owned, use their own transporter licenses, issued by the IDOA pursuant to a truncated process, to transport their cannabis around the State.

150. The fault for this significant disparity does not lie with the MCCs, but rather with the IDOA, and its implementation and administration of the CRTA.

151. The ICRA prohibits governmental policies and practices, like those outlined in this Complaint, that have a disparate impact against women or against a racial group, regardless of intent, and allows aggrieved parties to challenge such policies and practices in court.

152. The ICRA also facilitates private enforcement of civil rights laws by allowing the award of attorney fees to parties who prevail in litigation.

153. Under Section 5 of the IRCA, “‘*Discrimination prohibited.*’ No unit of State, county, or local government in Illinois shall (1) exclude a person from participation in, deny a person the benefits of, or subject a person to discrimination under any program or activity on the grounds of that person’s race, color, national origin, or gender; or (2) utilize criteria or methods of administration that have the effect of subjecting individuals to discrimination because of their race, color, national origin, or gender.” 740 ILCS 23/5(a).

154. Defendant IDOA “utilize[d] criteria” and “methods of administration” with respect to the Plaintiff Independent Transporters “that had the effect” - even if unintentional – “of subjecting [Plaintiffs] to discrimination based of their race... [and/]or gender.”

155. The “injuries,” in the form of financial loss, that each Plaintiff has suffered to date as a result of the unlawful discrimination vary by Plaintiff, but the direct cause is the same – the IDOA’s implementation and administration of the CRTA.

156. Defendant IDOA’s “criteria” and “methods of administration” that subjected the Plaintiff Independent Transporters to unlawful discrimination include the following IDOA policies and/or processes:

a. Issuing MCC Transporter Applications on a wholly discretionary date that was inequitable and detrimental to Plaintiff Independent Transporters.

b. Awarding MCC transporter licenses on July 15, 2021, before approving a single Independent Transporter license.

c. Creating and distributing a shorter, easier transporter application for MCCs with only two (2) exhibits with which MCCs would have to comply in perpetuity, creating inconsistent and inequitable compliance standards as between Independent Transporters and MCCs.

d. Applying significantly higher compliance standards to Plaintiff Independent Transporters than to the MCCs by virtue of their respective binding application submissions to the IDOA.

e. Inequitably enforcing compliance standards against Plaintiff Independent Transporters leading to (i) longer processing times for IDOA approval to begin operations (e.g., over a year between IDOA licensure and approval for operations); and (2) stricter ongoing compliance requirements for Plaintiff Independent Transporters, with consequences that include fines, suspension, and termination of the license at issue for noncompliance.

f. Prohibiting Plaintiff Independent Transporters from storing cannabis in between transports when the CRTA contains no such written prohibition.

g. Violating the CRTA by using Biotrack to prevent Independent Transporter new hires from starting transport work without IDOA-issued agent cards, which are typically delayed for weeks.

h. Failing to act on the outcome of the Disparity Study, which found, “observed

disparities” with respect to the Independent Transporters and made remedial recommendations.

i. Failing to use its discretionary authority in favor of equitable solutions for Plaintiff Independent Transporters despite its mandate under the CRTA to “[a]chiev[e] equity through ownerships and licensure.”

157. As a result of the IDOA’s actions and inactions, Plaintiffs have been subject to unlawful discrimination based on race and/or gender in violation of the IRCA that has caused and continues to cause them significant financial harm as plead herein.

COUNT II

Violation of the Fourteenth Amendment of the United States Constitution

158. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 147 as though fully set forth herein.

159. The Fourteenth Amendment of the United States Constitution provides in relevant part: “No state shall make or enforce any law which shall ... deny to any person within its jurisdiction the equal protection of the laws.”

160. Defendant’s IDOA’s actions and inactions have caused and perpetuated unlawful discrimination against minority and/or women-owned Independent Transporters in Illinois.

161. Defendant IDOA’s administration of the CRTA that subjected the Plaintiff Independent Transporters to unlawful discrimination include the following IDOA policies and/or processes:

a. Issuing MCC Transporter Applications on a wholly discretionary date that was inequitable and detrimental to Plaintiff Independent Transporters.

b. Awarding MCC transporter licenses on July 15, 2021, before approving a single Independent Transporter license.

c. Creating and distributing a shorter, easier transporter application for MCCs with

only two (2) exhibits with which MCCs would have to comply in perpetuity, creating inconsistent and inequitable compliance standards as between Independent Transporters and MCCs.

d. Applying significantly higher compliance standards to Plaintiff Independent Transporters than to the MCCs by virtue of their respective binding application submissions to the IDOA.

e. Inequitably enforcing compliance standards against Plaintiff Independent Transporters leading to (i) longer processing times for IDOA approval to begin operations (e.g., over a year between IDOA licensure and approval for operations); and (2) stricter ongoing compliance requirements for Plaintiff Independent Transporters, with consequences that include fines, suspension, and termination of the license at issue for noncompliance.

f. Prohibiting Plaintiff Independent Transporters from storing cannabis in between transports when the CRTA contains no such written prohibition.

g. Violating the CRTA by using Biotrack to prevent Independent Transporter new hires from starting transport work without IDOA-issued agent cards, which are typically delayed for weeks.

h. Failing to act on the outcome of the Disparity Study, which found, “observed disparities” with respect to the Independent Transporters and made remedial recommendations.

i. Failing to use its discretionary authority in favor of equitable solutions for Plaintiff Independent Transporters despite its mandate under the CRTA to “[a]chiev[e] equity through ownerships and licensure.”

162. Defendant IDOA engaged in the conduct described in this Complaint knowingly and knew or should have known that its conduct was discriminatory.

163. The conduct of the Defendant described in this Complaint violated the rights of the Plaintiffs under the Fourteenth Amendment to the United States Constitution and 42 U.S.C. §1983.

164. As a result of Defendant IDOA's actions and inactions, Plaintiffs have been subject to unlawful discrimination based on race and/or gender in violation of the Fourteenth Amendment of the United States Constitution and 42 U.S.C. §1983 that has caused and continues to cause them significant financial harm as plead herein.

WHEREFORE, Plaintiffs respectfully request that this Court enter an order:

a. Declaring that the Defendant IDOA's implementation of the existing laws and regulations with respect to transporters under the CRTA has the effect of subjecting Plaintiff Independent Transporters to unlawful discrimination under the ICRA on account of their race and/or gender;

b. Declaring that the Defendant IDOA's implementation of the existing laws and regulations with respect to transporters under the CRTA has the effect of subjecting Plaintiff Independent Transporters to unlawful discrimination under the Fourteenth Amendment of the United States Constitution and 42 U.S.C. §1983 on account of their race and/or gender;

c. Declaring that Defendant IDOA's implementation and administration of the CRTA with respect to the Plaintiff Independent Transporters amounts to a violation of the Illinois Civil Rights Act of 2003;

d. Declaring that Defendant IDOA's implementation and administration of the CRTA with respect to the Plaintiff Independent Transporters amounts to a violation of the Fourteenth Amendment of the United States Constitution and 42 U.S.C. §1983;

e. Awarding each Plaintiff with their actual damages suffered as a result of the IDOA's unlawful discrimination based on race and/or gender;

f. Providing each Plaintiff with damages for future lost profits as a result of the

IDOA's unlawful discrimination based on race and/or gender;

g. Awarding reasonable attorneys' fees and costs, including any expert witness fees and other litigation expenses; and

h. For any other relief that this Court deems just and fair.

Dated: November 1, 2024

Respectfully submitted,

/s/ Denis I. Yavorskiy

Denis I. Yavorskiy

Alissa Jubelirer

**BENESCH, FRIEDLANDER, COPLAN &
ARONOFF LLP**

71 S. Wacker Drive, Suite 1600

Chicago, Illinois 60606

Telephone: 312.212.4949

Firm ID No. 59611

dyavorskiy@beneschlaw.com

ajubelirer@beneschlaw.com

Attorneys for Plaintiffs Runway Logistics Solutions, Inc., Reliavan, LLC, ACC of Illinois Transportation, LLC, Piff Patch, Inc., Fade Express, LLC, Hand to Heart, LLC, and Moetta's Transport, Inc.