

## State of New Jersey Cannabis Regulatory Commission

PHILLIP D. MURPHY Governor

SHEILA Y. OLIVER Lt. Governor P.O. BOX 216 Trenton, N.J. 08625-0216

DIANNA HOUENOU, Chair
SAMUEL DELGADO, Vice Chair
KRISTA NASH, Commissioner
MARIA DEL CID-KOSSO, Commissioner
CHARLES BARKER, Commissioner
JEFF BROWN, Executive Director

## RESOLUTION 2022-<u>12</u> APPROVAL OF APPLICATION FOR DISPENSARY PERMIT ENDORSEMENT PURSUANT TO THE 2019 REQUEST FOR APPLICATIONS PROCESS FOLLOWING AWARD REJECTION

WHEREAS, P.L.2019, c.153, "Jake Honig Compassionate Use Medical Cannabis Act," ("the Act") authorizes a process for receipt of applications and issuance of permits to operate Alternative Treatment Centers ("ATCs") in the state of New Jersey; and

**WHEREAS**, the authority to regulate and enforce activities related to medicinal cannabis previously was vested in the New Jersey Department of Health ("the Department"), and now vests in the New Jersey Cannabis Regulatory Commission ("the Commission") pursuant to P.L. 2019, c.153; and

**WHEREAS**, on July 1, 2019, the Department posted a Request for Applications ("RFA" or "2019 RFA") to select entities to operate up to twenty-four ATCs; and

WHEREAS, of those twenty-four ATCs, up to eight such centers would be located within the Northern and Central regions of the state, up to seven such centers would be located in the Southern region of the state, and one ATC would be located in a region determined at the time of the award based on patient need; and

WHEREAS, the RFA allowed for the issuance of endorsements and permits for up to fifteen dispensaries, five cultivation sites, and four vertically integrated ATCs (which would grant the holder the ability to cultivate, manufacture, and dispense medicinal cannabis and medicinal cannabis products under a single permit); and

WHEREAS, as indicated by the adoption of Resolution 2021-18, the Commission approved an increase in the number of dispensary awards from fifteen to thirty to better meet market demand, and issued thirty dispensary awards to the top-scoring applicants, based on region; and

**WHEREAS**, following execution of Resolution 2021-18 on December 7, 2021, Final Agency Decisions were issued to the thirty applicants selected for a dispensary award, as well as all applicants who failed to score high enough to receive award; and

WHEREAS, following receipt of its December 7, 2021, Final Agency Decision, Southern region applicant and prospective awardee NJ Kindness LLC, notified the Commission that it was

unable to accept its award; and

WHEREAS, the Executive Director's October 15, 2021, Memorandum to the Board and the Final Agency Decisions issued to all applicants as part of the 2019 RFA process state that if an award is rescinded for any reason, the Commission would consider issuing the award to the next highest scoring applicant, such that the award would be consistent with the regional requirements of the 2019 RFA; and

WHEREAS, reissuing a rescinded medicinal cannabis dispensary award would be consistent with the Commission's statutory charge of ensuring a sufficient number of alternative treatment centers are operational to meet the needs of qualifying patients by providing patients with a more robust and diverse retail market for medicinal cannabis and establishing an even distribution of dispensary locations in the Northern, Central, and Southern regions; and

**WHEREAS**, based on the criteria set forth in the 2019 RFA, and in light of the decision by NJ Kindness LLC to decline its award in the Southern region, the next eligible applicant from the Southern region for award is PEMAA, LLC, who received a score of 200.33;

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cannabis Regulatory Commission pursuant to the terms of the 2019 RFA and following the dispensary award methodology outlined by Executive Director Jeff Brown in the attached Recommendation Memorandum, and contingent on compliance with the Post-Award Accountability Standards in the Recommendation Memorandum, the following application for an ATC dispensary permit endorsement is hereby APPROVED:

| Control # | Applicant Name | Region | Total Score |  |  |
|-----------|----------------|--------|-------------|--|--|
| 19-0052   | PEMAA, LLC     | South  | 200.33      |  |  |

Submitted by:

Dianna Houenou, Chair

## **CERTIFICATION**

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Cannabis Regulatory Commission at its meeting held on the 24<sup>th</sup> day of March, 2022.

Christopher Riggs, Chief Counsel

| Vote on the Approval of This Resolution | Motion | Second | Yes | No | Abstain | Absent |
|---|--------|--------|-----|----|---------|--------|
| Commissioner Barker                     |        |        |     | X  |         |        |
| Commissioner Del Cid-Kosso              |        |        | X   | 2) |         |        |
| Commissioner Delgado                    |        |        | X   |    |         |        |
| Chairwoman Houenou                      |        |        | X   |    |         |        |
| Commissioner Nash                       |        |        | X   |    |         |        |