



State of New Jersey
CANNABIS REGULATORY COMMISSION

PHILLIP D. MURPHY
Governor

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

SHEILA Y. OLIVER
Lt. Governor

RESOLUTION 2023-125
DENYING THE TRANSFER OF OWNERSHIP FOR TWO CLASS 5 RETAILER
LICENSES OWNED BY TERRASCEND NJ LLC, AN EXPANDED ALTERNATIVE
TREATMENT CENTER

WHEREAS, the New Jersey Cannabis Regulatory Commission (“the Commission”), established pursuant to P.L.2019, c.153, known and cited as the “Jake Honig Compassionate Use Medical Cannabis Act,” is charged with implementing the provisions of that Act as well as P.L.2021, c.16, known and cited as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act”; and

WHEREAS, pursuant to N.J.S.A. 24:6I-7(k)(2), the sale or transfer of any interest of five percent or more in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit shall be subject to approval by the New Jersey Cannabis Regulatory Commission (the “Commission”) and conditioned on the entity that is purchasing or receiving transfer of the interest in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit completing a criminal history record background check pursuant to the requirements of the statute; and

WHEREAS, TerrAscend NJ LLC (“TerrAscend NJ”) is an Alternative Treatment Center (“ATC”) that was issued a permit in accordance with N.J.A.C. 17:30A, et seq. and N.J.S.A. 24:6I-1 et seq.; and

WHEREAS, on April 11, 2022, the Commission accepted and approved TerrAscend NJ’s certification to become an expanded alternative treatment center (“Expanded ATC”), allowing for expansion of its operations to include personal-use cannabis activities, and subsequently issued it a Class 1 Cannabis Cultivator, a Class 2 Cannabis Manufacturer, and two Class 5 Cannabis Retailer licenses; and

WHEREAS, on May 24, 2022, Commission accepted and approved TerrAscend NJ’s certification and issued it an additional Class 5 Cannabis Retailer license; and

WHEREAS, on April 13, 2023, the Commission approved TerrAscend NJ’s renewal application for its Class 1 Cannabis Cultivator, a Class 2 Cannabis Manufacturer and two Class 5 Cannabis Retailer Licenses for its facilities in Boonton, Maplewood, and Phillipsburg, New Jersey; and

WHEREAS, on June 1, 2023, the Commission approved TerrAscend NJ's renewal application for its Class 5 Cannabis Retailer license for its facility in Lodi, New Jersey; and

WHEREAS, as an Expanded ATC, TerrAscend NJ must also abide by the Commission's personal-use cannabis regulations under N.J.A.C. 17:30, et. seq, including rules regarding transfers of ownership under N.J.A.C. 17:30-9.3; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.2(a), cannabis business license holders shall submit an application for an amended license, along with the applicable fee, if any, pursuant to N.J.A.C. 17:30-7.17 for a change of ownership or location, or modification of its capacity, physical plant, premises, or administrative office; and

WHEREAS, pursuant to N.J.A.C. 17:30-7.17(j)(3), the fee to apply for the transfer of more than 50 percent of ownership interest in a license holder is \$20,000; and

WHEREAS, pursuant to N.J.A.C. 17:30-6.8(g), a person or entity shall be an owner of only one license applicant or license holder; and

WHEREAS, N.J.A.C. 17:30-7.10 requires any entity wishing to enter the adult-use cannabis industry to submit an annual cannabis business license application; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.4(m)(5)(ii), nothing shall authorize an alternative treatment center that has not been licensed as an expanded ATC pursuant to N.J.A.C. 17:30-7.1 to purchase or acquire cannabis items in a manner or from a source not permitted by the Jake Honig Compassionate Use Medical Cannabis Act, P.L. 2009, c. 307 (N.J.S.A. 24:6I-1 et seq.); and

WHEREAS, pursuant to N.J.A.C. 17:30-9.4(m)(5)(iii), nothing shall authorize an alternative treatment center that has not been licensed as an expanded ATC pursuant to N.J.A.C. 17:30-7.1 to operate on the same premises as a cannabis business license applicant or license holder; and

WHEREAS, TerrAscend NJ proposes to transfer two Class 5 Cannabis Retailer licenses for its facilities located at 1865 Springfield Avenue, Maplewood, NJ 07040 and 200 Route 17 South, Lodi, NJ 07644 to a separate, newly formed entity Apothecarium Dispensing, LLC and keep its medical dispensary permits for its facilities located at 1865 Springfield Avenue, Maplewood, NJ 07040 and 200 Route 17 South, Lodi, NJ 07644; and

WHEREAS, TerrAscend NJ proposes that the beneficial ownership of both entities would be identical, and that the transfer would not change the management of TerrAscend's facilities, the facilities' operations, or the staffing at the facilities; and

WHEREAS, Apothecarium Dispensing, LLC is not an authorized Alternative Treatment Center or a licensed cannabis business, nor has Apothecarium Dispensing LLC applied to the Commission for a medical cannabis permit or an adult-use cannabis business license; and

WHEREAS, Apothecarium Dispensing, LLC is currently owned 100% by WDB Holding PA, Inc.; and

WHEREAS, WDB Holding PA, Inc operates as a holding company and is 100% owner of ten other TerrAscend Corporation related entities in Pennsylvania; and

WHEREAS, Commission staff has completed a thorough investigation of Apothecarium Dispensing, LLC and WDB Holding PA, Inc and its relevant subsidiaries; and

WHEREAS, Commission staff recommends denial for the application to transfer the two Class 5 Cannabis Retailer licenses held by TerrAscend NJ to Apothecarium Dispensing, LLC because such transfer would result in TerrAscend NJ violating several regulations, including, but not limited to the limitations on license holders that authorizes an entity to be an owner of only one license holder pursuant to N.J.A.C. 17:30-6.8(g), and would create investigatory and enforcement complications;

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Cannabis Regulatory Commission, that the proposed transfer of two Class 5 Cannabis Retailer licenses currently held by TerrAscend NJ LLC to a separate, newly formed entity Apothecarium Dispensing, LLC, would violate the Commission’s regulations that restrict a single person or entity’s ownership of license holders, require an entity to submit application to the Commission to operate a cannabis business or alternative treatment center, and prohibit separate entities from operating the same premises. As such, the request to approve transfer of the two licenses is hereby **DENIED**.

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 18th day of July 2023.



Dave Tuason, Deputy Counsel

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