



State of New Jersey
CANNABIS REGULATORY COMMISSION

PHILLIP D. MURPHY
Governor

P.O. BOX 216
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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*

TAHESHA L. WAY
Lt. Governor

RESOLUTION 2024-202
APPROVING THE TRANSFER OF OWNERSHIP OF
HARMONY FOUNDATION OF NEW JERSEY, INC., TO ILLICIT CANNABIS NEW
JERSEY, LLC

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,” (“Honig Act”) is charged with implementing the provisions of the Honig Act as well as P.L.2021, c.16, known and cited as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (“CREAMM 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 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, pursuant to N.J.A.C. 17:30A-7.5, an alternative treatment center (“ATC”) permit is not assignable or transferable without Commission approval, and it shall be immediately null and void if the ATC ceases to operate, if the ATC’s ownership changes or if the ATC relocates; and

WHEREAS, Harmony Foundation of New Jersey, Inc. (“Harmony”) is an ATC that was issued a permit in accordance with N.J.S.A. 24:6I-1 et seq., and N.J.A.C. 17:30A, et seq.; and

WHEREAS, on December 2, 2022, the Commission accepted and approved Harmony’s certification to become an expanded alternative treatment center (“Expanded ATC”), allowing for expansion of operations to the adult personal-use cannabis market with two (2) Class 1 Cannabis Cultivator licenses, one (1) Class 2 Cannabis Manufacturer license, and one (1) Class 5 Cannabis Retailer license, subject to the payment of the requisite fees; and

WHEREAS, on June 1, 2023, the Commission vacated its prior resolution approving Harmony’s four (4) personal-use cannabis business licenses for failure to pay the Expanded ATC certification fees, and vacated the award of the Class 1 Cannabis Cultivator licenses and Class 2 Cannabis Manufacturer license; and

WHEREAS, as an Expanded ATC, Harmony must abide by the Honig Act, the CREAMM Act, as well as the Commission’s regulations under N.J.A.C. 17:30A, et. seq, and N.J.A.C. 17:30, et seq., regarding transfers of ownership; and

WHEREAS, pursuant to N.J.A.C. 17:30A-7.10, the fee to apply for the transfer of ownership for an ATC is \$20,000; 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 an adult-use cannabis license holder is \$20,000; and

WHEREAS, on January 13, 2023, the courts appointed a financial custodian for Harmony due to its financial issues; and

WHEREAS, the Court-appointed financial custodian determined that a sale of the Harmony business and medicinal permits and adult-use license was necessary; and

WHEREAS, on October 6, 2023, the Commission was notified that Illicit Cannabis New Jersey LLC (“Illicit”) had been identified as a potential buyer for Harmony; and

WHEREAS, Illicit was formed in New Jersey on December 9, 2021, as a subsidiary of Illicit Gardens. Illicit Gardens is a cannabis business based in New Jersey but currently does not hold any licenses or permits to operate an ATC or adult-use cannabis business in New Jersey. Illicit Gardens currently only has operations in the state of Missouri; and

WHEREAS, Illicit entered into a management services agreement with Harmony to take over operations of its facilities in advance of the Commission’s consideration of the transfer of ownership; and

WHEREAS, Illicit also entered into a bridge loan to Harmony and SBRE Realty Management in the amount of \$5 million dollars; and

WHEREAS, on October 27, 2023, an Order was filed in the Superior Court of New Jersey, Chancery Division of Bergen County, authorizing (1) transfer of assets to Harmony Holdings of New Jersey, LLC, (2) transfer and sale of interests and assets free and clear of liens, claims, interests and encumbrances to Illicit (3) approving bridge loan and mortgage, (4) approving forbearance and subordination agreement with Secaucus Investors LLC and Secaucus ATC Realty, LLC, and (5) granting related relief; and

WHEREAS, Commission staff has completed a thorough investigation of Illicit and its relevant subsidiaries, the transaction between Harmony and Illicit, as well as associated documents and materials, for compliance with the provisions of N.J.A.C. 17:30A, et seq., N.J.A.C. 17:30, et seq., and N.J.S.A. 24:6I-1 et seq; and

WHEREAS, Commission staff has found no evidence that would preclude this ownership transfer;

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Cannabis Regulatory Commission, that the proposed transfer of ownership of the ATC Harmony to Illicit is hereby approved.

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 15th day of February 2024.



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	X			
Vice Chair Delgado	X		X			
Chairwoman Houenou			X			
Commissioner Nash			X			