



State of New Jersey
CANNABIS REGULATORY COMMISSION

PHILLIP D. MURPHY
Governor

P.O. BOX 216
TRENTON, N.J. 08625-0216

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

TAHESHA L. WAY
Lt. Governor

RESOLUTION 2024-258
APPROVING THE REQUESTS FOR TRANSFERS OF OWNERSHIP

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.A.C. 17:30-9.3(a), from the submission of a conditional license conversion application or an annual license application to at least two years after the cannabis business commences operations, a license holder holding an annual license shall not make any change to more than 50 percent of its ownership interest, except that: (1) a transfer of ownership interest in a license applicant or license holder from a deceased owner to their heir shall not be prohibited, and (2) a transfer of ownership interest in a license applicant or license holder from a deceased owner to their surviving spouse, domestic partner, or civil union partner, if the license was issued jointly to both the parties, shall not be prohibited; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.3(b), from the submission of the conditional license conversion application or an annual license application to at least two years after the cannabis business commences operations, a license holder may add new loans from new or existing financial sources or gifts; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.3(c), until at least two years after the cannabis business commences operations, a diversely owned business license holder shall maintain all conditions required to qualify as eligible for its diversely owned business certification; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.3(d), until at least two years after the cannabis business commences operations, a social equity business license holder shall maintain the conditions required to qualify for its social equity business status; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.3(e), a license holder operating as a microbusiness shall not transfer ownership interest such that the license holder no longer qualifies as a microbusiness; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.3(h), the Commission retains discretion to determine when a transfer of ownership interests has occurred; 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.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 alternative treatment center ceases to operate, if the alternative treatment center’s ownership changes or if the alternative treatment center relocates; 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, Illicit Gardens, a Medical Permittee and Expanded Alternative Treatment Center, requests approval of an ownership transfer by which Illicit Gardens NJ LLC would merge with Onyx 7 LLC and OXG LLC, other businesses operating under the Illicit Gardens name in Missouri, under parent company S1 Enterprises, a recently formed Delaware limited liability company intended to serve as the new parent company of all interests in Illicit Gardens New Jersey, Onyx 7 LLC, and OXG LLC. Illicit Gardens NJ LLC would still retain 100% ownership of Harmony Holdings, pursuant to the prior-approved ownership change. The purpose of the transaction is to consolidate the management, control, and ownership of the various cannabis businesses in order to improve cash flow and access to capital. Illicit Gardens NJ LLC has stated that the transaction will not prejudice or change any of the prior representations made to the NJ-CRC in its application to operate as an expanded Alternative Treatment Center in New Jersey; and

WHEREAS, Phasal LLC, a Class 5 Retail Licensee, requests approval of an ownership transfer by which minority owners Christopher Thomas Lloyd (44.1%) and Vishal R. Patel (4.9%) would be removed and replaced by Aman Verma (24.5%) and Singh Inderpal (24.5%). Majority owner Leonilda Rodriguez would retain her 51% equity in the company and the company would remain designated as a minority and woman-owned business enterprise; and

WHEREAS, Aman Verma and Singh Inderpal submitted Personal History Disclosures with no derogatory information found; and

WHEREAS, Holistic Releaf, a Class 5 Retail Licensee, requests approval of an ownership transfer by which owner Rupinder Hundal (100%) would transfer 49% of his ownership stake in the company to entity Intense Releaf LLC in exchange for \$10 million. Majority owner Rupinder Hundal would retain 51% equity in the company and the company would remain designated as a minority-owned business enterprise; and

WHEREAS, Personal History Disclosures were filed by the three principals of Intense Releaf LLC, and an Entity Disclosure Form was filed for Intense Releaf LLC, with no derogatory information found; and

WHEREAS, Commission staff has completed a thorough investigation of the above proposed ownership transfers, as well as associated documents and materials, for compliance with the provisions of N.J.A.C. 17:30, et seq., N.J.A.C. 17:30A, et seq., and N.J.S.A. 24:6I-1 et seq; and

WHEREAS, Commission staff has found no evidence that would preclude the aforementioned ownership transfers;

NOW, THEREFORE, BE IT RESOLVED, by the New Jersey Cannabis Regulatory Commission, that the above proposed transfers of ownership are 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 18th day of July 2024.



Dave Tuason, Chief Counsel

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