

## **MEMORANDUM**

Cannabis Regulatory Commission Board TO: FROM: Christopher Riggs, Acting Executive Director **SUBJECT:** Cover Memo: Recommendation to Consider Cannabis Business License Awards DATE: **FEBRUARY 18, 2025** 

### **OVERVIEW**

On August 19, 2021, the New Jersey Cannabis Regulatory Commission (herein referenced as the "Commission" or "CRC") adopted rules pursuant to P.L. 2021, C.16 which established the licensure process for cannabis businesses and testing laboratories. N.J.A.C. 17:30-6 through 7 outlines the application process and requirements for both conditional license applicants and annual license applicants. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses, and Impact Zone Businesses. Additionally, N.J.A.C. 17:30-18.1 through -18.5 outline the application process and requirements for testing laboratory license applicants, including eligibility requirements.

The attached memo from CRC staff outlines the process and recommendations concerning 18 applications for conditional licenses, 14 applications for conditional conversion licenses, and 12 applications for annual licenses. These applications have been reviewed, scored, and are recommended for approval by the CRC Staff.

#### RECOMMENDATION

Having reviewed the attached memo and recommended applications, I concur with CRC staff's recommendations to approve license awards for the listed applications and hereby recommend these applications for approval by the CRC Board of Commissioners. These applications have been reviewed, scored, and are now recommended for approval in accordance with the CRC's authorizing statutes and regulations and therefore should be approved.



# **RECOMMENDATION REPORT**

MEETING	<b>DATE:</b> 2/18/2025	<b>TOTAL REC. #</b> : 45	<b>REPORT DATE:</b> 1/9/2025
TO: FROM:	Ũ	ory Commission Board s, Acting Executive Director	

### BACKGROUND

On August 19, 2021, the New Jersey Cannabis Regulatory Commission (herein referenced as the "Commission" or "CRC") adopted rules pursuant to P.L. 2021, C.16 which established the licensure process for cannabis businesses and testing laboratories. N.J.A.C. 17:30-6 through 7 outlines the application process and requirements for both conditional license applicants and annual license applicants. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses, and Impact Zone Businesses. Additionally, N.J.A.C. 17:30-18.1 through -18.5 outline the application process and requirements for testing laboratory license applicants, including eligibility requirements.

This memo outlines the process and recommendations concerning 18 applications for conditional licenses, 14 applications for conditional conversion licenses, and 12 applications for annual licenses that have been reviewed, scored, and are recommended for approval by the CRC Staff. The business type breakdown for each application type is as follows:

Conditionals: 18	
Cultivator	8
Delivery	1
Manufacturer	2
Retailer	7
Conversions: 14	
Cultivator	4
Delivery	2
Manufacturer	2
Retailer	4

Wholesaler 2



Annual	ls: 12	
	Manufacturer	5
	Retailer	5
	Testing Lab	1
	Wholesaler	1

The governing regulations at N.J.A.C. 17:30-6.1(d) provide that the Commission shall review, score, and approve conditional and annual cannabis business license applications and issue licenses to applicants that receive a full score or greater, and shall have the full authority to establish the priority by which conditional and annual cannabis business license applications and applicants are reviewed, scored, approved, and issued, such that: 1. Testing Laboratory applicants, Social equity businesses, diversely owned businesses, and impact zone businesses always have priority over other license applicants; 2. Conditional license applicants always have priority over annual license applicants; 3. Microbusinesses license applicants always have priority over standard cannabis business license applicants; 4. License applicants given bonus points pursuant to N.J.S.A. 24:6I-36.d(2) have priority over license applicants with no bonus points; and 5. The priority of the review, scoring, and approval of license applications and issuance of licenses is consistent with meeting the market demands of the state, the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (the "Act") and this chapter.

#### **REVIEW PROCESS OVERVIEW**

To review license applications, the CRC has developed an application review process that aligns with the authorizing statutes, the CRC's regulations, and the Notice of Application Acceptance. The process includes the following steps:

- 1. Priority Assignment Applications are assigned to their relevant priority level based on responses to questions on the application. This assignment occurs for all applicants after they submit their applications into the licensing system.
- 2. Priority Verification Once assigned a priority, the applications are then reviewed to ensure the applicant has submitted the proper documentation to support their priority assignment. If they have submitted the documentation, they remain in queue to be reviewed. This includes a review of any materials submitted to qualify as a Social Equity Business, a Diversely-Owned Business or an Impact Zone Business. If they have not submitted proof to back up their priority designation, the application is marked for rejection and curing.
- 3. Completeness Review Applications are reviewed for completeness to ensure everything required by the Notice is included in the application. If an application is deemed incomplete, it is marked for rejection and curing.
- 4. Scoring Applications that have been deemed complete are then scored in accordance with the rubric in the Notice. For conditional license applications, this includes an evaluation of their Business Plan and Management Profile, their Regulatory Compliance Plan, and their Plan to Obtain Liability Insurance. Conditional conversion and annual license applicants additionally need to show they have municipal approval, site control, and have submitted all the required standard operating procedures and other application materials required by the Notice of Application Acceptance and CRC Regulations. Applications receive full points if they pass a measure, and no points if they fail. If an application fails in scoring, it is marked for rejection and curing.



- 5. Qualification, Limitations, Financial/Management Agreement Review Following scoring, applications that have passed all mandatory measures are then reviewed to ensure they are compliant with:
  - a. N.J.A.C. 17:30-6.8 (Limitations on license holders, owners, principals, pass investors, financial sources, management services contractors and vendor-contractors);
  - b. N.J.A.C. 17:30-6.9 (Management services agreements);
  - c. N.J.A.C. 17:30-6.10 (Financial source agreements); and
  - d. N.J.A.C. 17:30-7.4 (Conditional license holder qualification); and
  - e. N.J.A.C. 17:30-18.3 (Testing laboratory license qualification).
- Qualification Review License applicants for conditional, conversion, and annual applications are then reviewed for Qualification pursuant to N.J.A.C. 17:30-7.11 and N.J.A.C. 17:30-18.3 (if applicable). To be approved, they also must be cleared by the CRC's Office of Compliance and Investigations and deemed qualified to hold a license. This includes a criminal history background check (N.J.A.C. 17:30-7.12) and probity review (N.J.A.C. 17:30-7.13).
- 7. Quality Control Any application that is deemed eligible for approval following a qualification review is then given a quality control review to ensure that the determination is accurate.
- 8. Recommendation to the CRC Board Applications that pass a quality control check are then recommended for approval to the board.

#### **RECOMMENDATION AND JUSTIFICATION**

It is recommended that the Conditional, Conversion, and Annual applications listed below be presented to the Board of Commissioners for the New Jersey Cannabis Regulatory Commission for award in the designated license class. The below-listed applicants have satisfied the terms of the Notice of Application Acceptance most-recently modified by the Board of Commissioners pursuant to Resolution 2023-137. Each of the below-listed applicants have earned the requisite full scores (or greater) to be awarded a license in their designated application type and license class.

Each of the below-listed applicants have been deemed compliant pursuant to the applicable regulations codified at N.J.A.C. 17:30-6 and 7 and, if applicable, N.J.A.C. 17:30-18.1 through -18.5. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses (DOB), and Impact Zone Businesses. A breakdown of those recommended awards follows in the next section.



#### PRIORITY BREAKDOWN

Conditionals: 18	
Social Equity Business	4
Diversely Owned Businesses	7 (4 MBE, 2 MWBE, 1 WBE)
Impact Zone Businesses	1
Conversions: 14	
Social Equity Business	2
Diversely Owned Businesses	7 (2 MBE, 2 MWBE, 3 WBE)
Annuals: 12	
Social Equity Business	3
Diversely Owned Businesses	3 (3 MBE)
Impact Zone Businesses	4

Note: Disabled Veteran-Owned ("DVOB"), Minority Business Enterprise ("MBE"), Minority and Woman-Business Enterprise ("MWBE"), Women Business Enterprise ("WBE")



## LIST: Conditionals

App ID	Applicant Business Name	Application Type	Priority	DOB Category	Business Type	Business Category
14722	Jersey OG'S LLC	Conditional	1A		Cultivator	Microbusiness
15617	Thriv3 LLC	Conditional	1A		Retailer	Microbusiness
3259	Black Cannabis Cultivation	Conditional	1B		Cultivator	Standard
13001	Lady Bud Cannabis Dispensary LLC	Conditional	1B		Retailer	Standard
8800	Frequency Cannabis	Conditional	2A	MWBE	Cultivator	Microbusiness
13903	Still Dubbin LLC	Conditional	2A	MBE	Retailer	Microbusiness
15068	Pufftuff	Conditional	2A	MBE	Retailer	Microbusiness
17352	Royal Beverages, LLC	Conditional	2A	MBE	Manufacturer	Microbusiness
5997	Dr Quest Laboratories	Conditional	2B	MBE	Cultivator	Standard
16025	84110 LLC	Conditional	2B	WBE	Cultivator	Standard
16584	QueRated	Conditional	2B	MWBE	Delivery	Standard
16864	Serenity Grounds	Conditional	3B		Retailer	Standard
17180	Sea & Leaf Cultivation LLC	Conditional	4B		Cultivator	Standard
15555	Local Flower LLC	Conditional	4B		Retailer	Standard
15353	Good Feeling Gummies	Conditional	5A		Manufacturer	Microbusiness
11083	Savage Gardens NJ	Conditional	5B		Cultivator	Standard
16379	Chunk's Trees LLC	Conditional	5B		Cultivator	Standard
16197	Kisan Herbal Health Hub LLC	Conditional	5B		Retailer	Standard



## Conversions:

Conversion App ID	Applicant Business Name	Application Type	Conditional App ID	Priority	DOB Category	Business Type	Business Category
13750	Glue Lagoon Farms	Conversion	1950	1C		Cultivator	Microbusiness
13231	TerpTaxi LLC	Conversion	6537	1C		Delivery	Standard
14544	Tree Breeze	Conversion	6229	2C	WBE	Retailer	Microbusiness
15479	High Rollerz LLC	Conversion	6746	2C	MBE	Delivery	Microbusiness
10554	Royal Beverages, LLC	Conversion	1352	2C	MBE	Cultivator	Standard
13208	Authorized Dealers	Conversion	7230	2C	WBE	Wholesaler	Standard
14251	Kush Express	Conversion	6693	2C	MWBE	Wholesaler	Standard
3289	Vetae Pharms NJ	Conversion	1221	2C	MWBE	Cultivator	Standard
7982	BWell Holdings NJ Inc.	Conversion	2382	2C	WBE	Retailer	Standard
13008	Twister Cannabis LLC	Conversion	2417	5C		Manufacturer	Microbusiness
9322	Herb Haus LLC	Conversion	1893	5C		Retailer	Microbusiness
9888	The Leaf and Seed Company	Conversion	1928	5C		Retailer	Microbusiness
11164	Ganja Manja LLC	Conversion	3585	5C		Manufacturer	Standard
11273	Ganja Manja LLC	Conversion	3448	5C		Cultivator	Standard

# Please note that the following have submitted the proper documentation to reflect a name change from their conditional submission:

The Leaf and Seed Company – formerly known as BHJ Associates Inc.



## Annuals:

App ID	Applicant Business Name	Application Type	Priority	DOB Category	Business Type	Business Category
5823	Integrated Analytical Solutions	Annual	1A		Testing Lab	Standard
11844	Natures Bliss LLC	Annual	1E		Retailer	Standard
14373	Royal Roll LLC	Annual	1E		Manufacturer	Standard
2145	Authorized Dealer Dispensary	Annual	2E	MBE	Retailer	Standard
13302	Southern Jersey Bud LLC	Annual	2E	MBE	Retailer	Standard
14105	Indigo Dispensary LLC	Annual	2E	MBE	Manufacturer	Standard
12171	Northeast Alternatives NJ LLC	Annual	3E		Retailer	Standard
13632	Herb's Wellness	Annual	3E		Retailer	Standard
13651	The Happy Farmer LLC	Annual	3E		Manufacturer	Standard
6575	RPI Partners	Annual	3E		Manufacturer	Standard
13582	Green Gem Industries, Inc.	Annual	5D		Manufacturer	Microbusiness
11792	Talaria NJ LLC	Annual	5E		Wholesaler	Standard



#### **REVIEW AND QUALITY CONTROL CONFIRMATION**

The licensing review and investigative process for each of these applications was completed, as required, in the Office of Licensing and the Office of Compliance and Investigations. Quality control review was completed by Counsel's Office on December 20, 2024.

### **RECOMMENDATION SUMMARY**

The 18 conditional, 14 conversion, and 12 annual applications listed above have been deemed compliant with their priority designation, deemed complete, and scored for potential approval. They have also been reviewed for license-holder qualification provisions, for license-holder limitations, and any proposed financial source or management services agreements have received an initial review. All recommended awards have been deemed qualified to hold a conditional or annual license following this review, probity and criminal history background check, if applicable.

CRC staff have determined that these license applications are eligible for approval by the CRC. Therefore, CRC staff recommend the CRC Board approve these applications for licenses.

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Director of Licensing Megan Tagliaferri

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Director of Compliance and Investigations Paul Urbish

Approved by:

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Dave Tuason Chief Counsel