



MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD
FROM: CHRISTOPHER RIGGS, ACTING EXECUTIVE DIRECTOR
SUBJECT: REGULATION WAIVER REQUESTS
DATE: [DECEMBER 12, 2024](#)

BACKGROUND: Over the course of the prior months, adult use licensees and medicinal operators have submitted requests for the Commission to waive specific regulations. This memorandum will outline those specific requests, and will also provide recommendations.

AUTHORITY: Pursuant to N.J.A.C. 17:30-3.7(a), The Commission, in accordance with the general purposes and intent of the Act and this chapter, may waive a regulatory requirement regarding the operations of a cannabis business, to the extent such waiver does not conflict with any other State law, if in the Commission's determination, such a waiver: 1. Is necessary to achieve the purpose of the Act; 2. Is necessary to provide access to cannabis items to consumers; and 3. Does not create a danger to the public health, safety, or welfare.

REQUESTS:

1. Requested Waiver and/or Removal of Patient Only Hours

Docket number WR001 - The New Jersey Cannabis Trade Association ("NJCTA") requests that the Commission consider removing the mandates of both expedited access and patient-only hours, and instead require expanded Alternative Treatment Centers ("ATCs") to choose whether to provide one or the other. In the alternative, NJCTA requests that the Commission eliminate patient-only hours and require expanded ATCs to provide expedited access and designated point of sale terminals for patient transactions. NJCTA argues that the patient-only hours are largely unutilized (NJCTA members have reported an estimated 4 patients per hour and 5.8% of total medical sales during patient-only hours), which leaves expanded ATCs at a substantial competitive disadvantage as they are required to turn away adult-use customers during these low traffic timeframes. NJCTA further argues that their proposed recommendations will keep medical dispensaries open, result in increased shifts for employees and will not harm patients as they will maintain expedited access. NJCTA stated that a number of states (Maryland, New York, and Ohio) do not require patient-only hours and notes that the Coalition for Medical Marijuana, New Jersey



endorses its proposed recommendations. NJCTA further requests that Final Agency Decisions issued to Expanded ATCs be modified to reflect its recommendations.

RECOMMENDATION FOR WR001: Waiving the requirement that expanded ATCs must include business operating hours of at least 14 patient-only hours spread over at least three (3) days per week as established in each of the expanded ATCs Final Agency Decisions (FADs) would

[REDACTED]

2. Requested Waiver of N.J.A.C. 17:30-6.8 (g)

Docket number WR002 - Simply Pure Trenton NJ Inc. (“SPT”) requests a waiver of the regulatory requirement that a person or entity shall be an owner of only one license applicant or license holder. SPT holds a Class 5 Retail license and was issued a conditional Class 1 Cultivation license on March 7, 2024. SPT asserts that its current capital structure is fully allocated to its current operation as a dispensary, and it does not have the ability to fundraise for its indoor cultivation business which is estimated to require over \$2,000,000. To attract new capital while maintaining the financial integrity of the dispensary, SPT seeks a waiver of N.J.A.C. 17:30-6.8(g) to allow Trenton Made Cannabis LLC (“TMC”) to hold ownership of SPT’s Class 1 conditional Cultivation license. Tahir Johnson, CEO and Co-Founder of SPT is also the CEO of TMC. Mr. Johnson argues that the regulation inadvertently hinders the growth and development of minority-owned businesses and stifles the broader objectives of social equity in the cannabis industry.

Docket number WR003 - Nevaeh Verde LLC (“Nevaeh Verde”) requests a waiver of the regulatory requirement that a person or entity shall be an owner of only one license applicant or license holder. Neveah Verde holds a Class 5 Retail license. Keresse Burton Dorcelly, owner of Nevaeh Verde also owns Growing Buddies, LLC (“Growing Buds”). Ms. Burton Dorcey asserts



that she will use Growing Buddies to fundraise the \$700,000 necessary to pursue a cultivation license. Ms. Burton Dorsey argues that N.J.A.C. 17:30-6.8(g) does a disservice to social equity applicants and dissuades people from participating in the industry which is contrary to the intent of prioritizing social equity and providing opportunities for people who have been disproportionately impacted by the enforcement of the war on drugs.

The waiver is accompanied by a letter from counsel for Nevaeh Verde/Growing Buds and SPT/TMC. In the letter counsel argues: Most social equity and diversely owned applicants do not have the startup money to launch multiple licenses, thus they turn to investors. N.J.A.C. 17:30-6.8(g) does not in large prevent well-funded operations from pursuing vertically integrated licenses, rather its impact falls disproportionately on social equity and diversely owned applicants that need to raise capital for retail and cultivation. Thus, the regulation as written impedes the opportunity for ownership and entrepreneurship. Counsel recommends the language of N.J.A.C. 17:30-6.8(g) be amended as follows (see italics for amendment): A person or entity shall be an owner of only one license applicant or license holder, *except that ownership licenses of different classes may be held across separate entities.*

RECOMMENDATION FOR WR002 AND WR003: Waiving the requirement that a person or entity shall be an owner of only one license applicant or license holder would

[REDACTED]

[REDACTED]

3. Requested waiver of N.J.A.C. 17:30-6.8(k)

Docket number WR004 - Cannabis MD, LLC (“Cannabis MD”) requests a waiver of the regulatory requirement that requires the majority share of the license applicant’s ownership interest to remain the same from the submission of a conditional license conversion application until two years after commencement of cannabis business operations under N.J.A.C. 17:30-6.8(k). Cannabis MD was awarded a conversion license for its Class 5 Retail license on March 13, 2024, and seeks to transfer the entirety of majority owner Sophie Persit’s 51% ownership interest to her daughter-in-law and minority owner Honey Meerzon. Ms. Meerzon currently owns 49% and would become



the sole owner of Cannabis MD if the waiver is granted and the transfer approved. Cannabis MD notes that it would continue to be an MBE certified business with the transfer and argues that there is no requirement that the same individual who made the original MBE application continue to hold the majority ownership interest, just that it remains a majority woman owned business. Additionally, Cannabis MD argues that because Ms. Persit no longer wishes to continue in her current capacity, she is preventing the business from moving forward, thus the waiver is necessary to provide access to cannabis items to consumers. Further, the waiver would not create a danger to the public health, safety or welfare as Cannabis MD would remain a woman-owned business and the ownership interest would remain with an existing owner.

RECOMMENDATION FOR WR004: Waiving the requirement that the majority share interest remains the same from the submission of a conditional license conversion application until two years after commencement of cannabis business operations under N.J.A.C. 17:30-6.8(k) would

4. Requested waiver of N.J.A.C. 17:30-7.15(a)

Docket number WR005 - Organic Farms Corp (“Organic Farms”) requests a waiver of the one-year waiting period to submit a microbusiness to standard conversion application as set forth in N.J.A.C. 17:30-7.15(a). Organic Farms argues that the Commission should waive the one-year period for the Company because it is necessary to provide access to cannabis items to consumers, does not create danger to the public health or safety, and helps achieve the overall purpose of the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act. Organic Farms stated that they are seeking this waiver due to the imperative need to hire additional employees to ensure efficient operations and ensure maximum access to the community. Organic Farms further states that the expansion of the workforce is crucial to meet the growing demand for



the Company’s products and services, enhance production capacity, improve customer service, and ensure strict compliance with all regulatory requirements.

Docket number WR006 - Neptune Garden, LLC (“Neptune’s Garden”) request a waiver of the one-year waiting period to submit a microbusiness to standard conversion application as set forth in N.J.A.C. 17:30-7.15(a). Neptune’s Garden argues that the waiver is necessary to allow its small business to efficiently use its space, increase sales by 100% and maximize its genetic library. Neptune’s Garden states that its existing business plan demonstrates its ability to operate as a standard sized business.

Docket number WR007 - Shnicks Shnacks LLC (“Shnicks Shnacks”) requests a waiver of the one-year waiting period to submit a microbusiness to standard conversion application as set forth in N.J.A.C. 17:30-7.15(a). Shnicks Shnacks argues that the waiver is necessary to allow it to continue with its current building plans and offer quality cannabis items to its customers. Shnicks Shnacks further argues that the Commission should waive the regulations because doing so would be in accordance with the intent of the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act as it would help a social equity and small business. Additionally, the issuance of the waivers will not create a danger to the public health, safety, or welfare.

RECOMMENDATION FOR WR005 THROUGH WR007: Waiving the requirement that a microbusiness operate for one-year prior to applying to convert to a standard business under N.J.A.C. 17:30-7.15(a) would

[REDACTED]

[REDACTED]

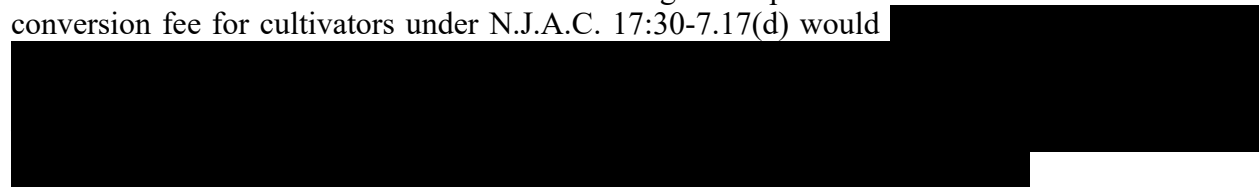
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5. Requested waiver of Expanded ATC Certification Fees under N.J.A.C. 17:30-7.17(d)(5)

Docket number WR009 - Aunt Mary's Dispensary LLC ("Aunt Mary's") requests a waiver and/or reduction of the Expanded Alternative Treatment Center ("ATC") conversion fee. Aunt Mary's asserts that while the vast majority of cultivators have decided to cease operations as medicinal operators, it has remained and is the only medical dispensary in Hunterdon County (an area that that was otherwise underserved from a patient outreach perspective). It further asserts that it has exceeded every expectation of a medicinal operator in the State of New Jersey. Aunt Mary's argues that the conversion fee is not proportionate to the administrative cost borne by the Commission in the processing of its Expanded ATC application as Aunt Mary's has already undergone multiple years of initial and renewal approvals for both its medicinal and adult-use permits. Aunt Mary's further argues that the conversion fee is not proportionate to the size of its cultivation operation. Aunt Mary's request that the conversion fee be reduced to \$8,000.

RECOMMENDATION FOR WR009: Waiving the expanded Alternative Treatment Center conversion fee for cultivators under N.J.A.C. 17:30-7.17(d) would



6. Requested waiver of the Secure Transport requirements under N.J.A.C. 17:30-9.15(n)

Docket number WR010- Hudson Distribution Services LLC’s (“Hudson”) request a waiver of the regulatory requirement that staff members of cannabis businesses transporting cannabis items, cannabis paraphernalia, and related supplies shall only travel between originating cannabis businesses premises and receiving business premises with the exception of an emergency or necessary for rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route or operation of the vehicle unsafe, impossible, or impracticable. Hudson request the waiver so that it can transport and deliver non-Federally regulated goods while delivering cannabis products along the same route. Hudson argues that N.J.A.C. 17:30-9.15(n) permits the transport of other unrelated non-Federally regulated goods during the transport of cannabis items [REDACTED]

[REDACTED] Hudson further argues that it is able to address the Commission’s concern of transporting both cannabis products and cash payments within the same vehicle by going cashless and implementing electronic payment delivery methods. Moreover, Hudson argues that duplicating routes would materially and adversely impact its existing business, adversely impact delivery of cannabis product to operators in New Jersey and be contrary to the environmental goals evident throughout the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act.

RECOMMENDATION FOR WR010: Waiving the secure transport requirement under N.J.A.C. 17:30-9.15(n) would [REDACTED]

[REDACTED]

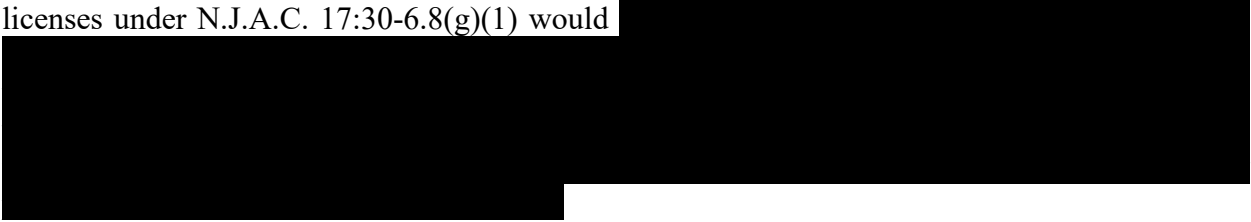
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7. Requested waiver of Limitation on Family Member Licenses under N.J.A.C. 17:30-6.8(g)(1)

Docket number WR011- NJ Weedman’s Dispensary LLC (“NJ Weedman’s Dispensary”) and Forchion Farms LLC (“Forchion Farms”) request a waiver of the regulatory requirement that where a person is an owner of a license applicant or license holder, that person’s child may only be an owner of such license applicant or license holder and shall not be an owner of another applicant or license holder. By letter dated November 17, 2023, CRC informed NJ Weedman’s Dispensary that it must either withdraw its application or that of Forchion Farms due to a familial

relationship- NJ Weedman's Dispensary (parent), Forchion Farms (child) as the relationship violated N.J.A.C. 17:30-6.8(g)(1). Applicants also seek a waiver of the definitions of "owner" and "aggregate ownership interest". The applicants do not provide a basis as to why its waiver requests should be granted.

RECOMMENDATION FOR WR011: Waiving the requirement of limiting family member licenses under N.J.A.C. 17:30-6.8(g)(1) would

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