



MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD
FROM: CHRISTOPHER RIGGS, ACTING EXECUTIVE DIRECTOR
SUBJECT: TRANSFERS OF OWNERSHIP – APPLICATION AMENDMENTS
DATE: [APRIL 3, 2025](#)

BACKGROUND: Over the course of the prior months, adult-use license awardees have submitted proposed changes to their ownership structures. This memorandum will outline the changes to ownership that have been proposed. The changes, contracts, and new parties to the industry have been vetted by the Office of Compliance and Investigations and have been deemed regulatorily compliant and holding the necessary qualifications. The supplemental reports created by the investigators in the Office of Compliance and Investigations have been summarized here for the benefit of the Commissioners and Executive staff.

AUTHORITY: 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.

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.

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.

The governing personal use regulations regarding transfers of ownership interest fall under N.J.A.C. 17:30-9.3 and are as follows:

- (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.
- (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.
- (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.
- (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.
- (e) A license holder operating as a microbusiness shall not transfer ownership interest such that the license holder no longer qualifies as a microbusiness.
- (f) If the cannabis business ceases operations during the two-year period after the cannabis business commences operations, the license holder may not transfer the license to another entity; the license will be considered to be abandoned and will be returned to the Commission.
- (g) A cannabis business license holder shall not provide, transfer, or sell, or offer to provide, transfer, or sell any ownership interest to or employ or offer to employ any Commission member or employee restricted from such transactions by the provisions of sections 33 through 35 of P.L. 2019, c. 153 (N.J.A.C. 24:6I-26 through 28).
- (h) The Commission retains discretion to determine when a transfer of ownership interests has occurred.

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.



COMPLETENESS REVIEW:

Blue Harvest (Class 1 Cannabis Cultivator)

This ownership transfer application would see minority owner Theodore Brinkofski transfer ownership interest to seven passive investors. Majority owner Trent Brinkofski would continue to hold ownership interest. If approved, the resulting ownership structure of Blue Harvest would be Trent Brinkofski, Theodore Brinkofski, Breein Tyree, Hunter Black, Justine Gioseffi, Justin Greene, Kevin Kelley, Paul Muniz, and Thomas Egan. PHDs were filed by each passive investor and no derogatory information was found.

Divine Garden (Class 1 Cannabis Cultivator)

The ownership change for this application would see owner Nancy Gonzalez transfer the entirety of her interest to majority owner Malquan Reevey. If approved, Malquan Reevey would continue to hold majority ownership in Divine Garden with interest. Malquan Reevey was previously vetted and found to be qualified by the NJ-CRC, with no derogatory information found.

Xena NJ (Class 5 Cannabis Retailer)

The ownership change for this application would see owner Haytham Elgawly transfer interest to passive investor Jesse Sayegh. If approved, the ownership of Xena NJ would be Haytham Elgawly and Jesse Sayegh. PHD was filed by Jesse Sayegh, and no derogatory information was found.

Peaches Garden LLC (Class 5 Cannabis Retailer)

The ownership change for this application would see owner Robert Mondello transfer the entirety of his interest to proposed owner Yale Hansen. Valerie Cason will continue to hold majority ownership interest of in Peaches Garden LLC. PHD was filed by Yale Hansen, and no derogatory information was found.

Atlantic Flower LLC (Class 5 Cannabis Retailer)



The ownership change for this application would see owner Matthew Landicini transfer [REDACTED] of his ownership interest to proposed owner Anthony Imperial III, resulting in Matthew Landicini retaining [REDACTED] and Anthony Imperial III acquiring [REDACTED] interest. Nichole Landicini will continue to hold majority ownership interest of [REDACTED] in Atlantic Flower LLC. PHD was filed by Anthony Imperial III, and no derogatory information was found.

Somerset Green LLC (Class 5 Cannabis Retailer)

Somerset Green LLC, requests approval in which owners Sunny Parikh [REDACTED] and Rahul Walia [REDACTED] would each transfer 1 [REDACTED] of their ownership interest to proposed owner Kush Patel. If approved, the ownership structure of Somerset Green LLC would be Sunny Parikh [REDACTED], Rahul Walia [REDACTED], Arvind Walia [REDACTED], Nishit Patel [REDACTED], and Kush Patel [REDACTED]. PHD was filed by Kush Patel, and no derogatory information was found.

Ruuted LLC (Class 5 Cannabis Retailer)

Ruuted LLC, requests approval in which owners Aric Ifergan [REDACTED] and Jacov Kaufman [REDACTED] would each transfer [REDACTED] of their ownership interest to current passive investors Lowell Windon [REDACTED] and Amit Ashtivker [REDACTED]. If approved, the ownership structure of Ruuted LLC would be Aric Ifergan [REDACTED], Jacov Kaufman [REDACTED], Lowell Windon [REDACTED] and Amit Ashtivker [REDACTED]. All persons of interest for Ruuted LLC were previously vetted and found to be qualified by the NJ-CRC, with no derogatory information found.

Pantheon LLC (Class 1 Cannabis Cultivator)

Pantheon LLC, requests approval in which owners Joseph Dai [REDACTED] and Tanner Travers [REDACTED] would each transfer [REDACTED] of their ownership interest to proposed owner MJ Investors LLC. If approved, the ownership structure of Pantheon LLC would be Joseph Dai [REDACTED], Tanner Travers [REDACTED], and MJ Investors LLC [REDACTED]. EDF was filed by MJ Investors LLC, and no derogatory information was found.

Earth & Ivy Lakehurst LLC (f/k/a Stoke Industries LLC) (Class 5 Cannabis Retailer)

Earth & Ivy Lakehurst LLC (f/k/a Stoke Industries LLC), requests approval in which owner Alyssa Reichard [REDACTED] would transfer [REDACTED] of ownership stake in the company to Lotti Group LLC (f/k/a Earth & Ivy Lakehurst, LLC), while Reichard would retain [REDACTED] of ownership. Lotti Group LLC is owned by John Lotti [REDACTED], Anthony Lotti [REDACTED], David Ryslik [REDACTED], Sasha Stevens [REDACTED], and Audry Lotti [REDACTED]. If the transfer is approved, Lotti



Group LLC would own [REDACTED] of Earth & Ivy Lakehurst LLC (f/k/a Stoke Industries LLC), satisfying the requirements of N.J.S.A. 24:6I-46(c). EDF was filed by Lotti Group LLC, and no derogatory information was found.

RECOMMENDATION: The Office of Compliance and Investigations recommends approval for the nine applications to amend the licenses/permit set forth above and authorize the ownership structure changes as presented by their representatives. All owners and officers that will hold positions after approval of the changes have been vetted as required by the statutes and regulations and have been deemed qualified to hold their positions in the adult-use cannabis market.

APPENDIX

N.J.A.C. 17:30A-7.5 Permit issuance; nontransferability of permit

- (a) Upon approval of the application for an ATC permit and payment of the required fee, the permitting authority may conduct an onsite assessment of the alternative treatment center to determine if the facility adheres to the Act and this chapter.
- (b) An 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.
- (c) This chapter does not prohibit a political subdivision of this State from limiting the number of alternative treatment centers that may operate in the political subdivision or from enacting reasonable local ordinances applicable to alternative treatment centers.

N.J.A.C. 17:30A-7.10 Fees

- (a) The following fees apply:

1. The annual fee for the review of a permit renewal application for an alternative treatment center is \$ 20,000;
2. The fee to apply for a change of location of the alternative treatment center is \$10,000;
3. The fee to apply for a change of capacity or any physical modification or addition to the facility is \$ 2,000; and

4. The fee to apply for the transfer of ownership of a permit is \$ 20,000.

17:30-9.3 Transfers of ownership interest

(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 a transfer of the ownership interest license applicant or license holder from a deceased owner to the deceased:

1. Owner's heir shall not be prohibited;

2. Owner's surviving spouse, domestic partner, or civil union partner, if the license was issued jointly to both the parties, shall not be prohibited.

(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.

(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.

(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

(e) A license holder operating as a microbusiness shall not transfer ownership interest such that the license holder no longer qualifies as a microbusiness.

(f) If the cannabis business ceases operations during the two-year period after the cannabis business commences operations, the license holder may not transfer the license to another entity; the license will be considered to be abandoned and will be returned to the Commission.

(g) A cannabis business license holder shall not provide, transfer, or sell, or offer to provide, transfer, or sell any ownership interest to or employ or offer to employ any Commission member or employee restricted from such transactions by the provisions of sections 33 through 35 of P.L. 2019, c. 153 (N.J.A.C. 24:6I-26 through 28).

(h) The Commission retains discretion to determine when a transfer of ownership interests has occurred.

17:30-7.17 Cannabis business and testing laboratory fees

(j) The following material change fees shall be paid by license holders, as applicable:

1. The fee to apply for a change of location of a cannabis business premises is:

i. Standard cannabis business annual license holder: \$10,000; or

ii. Microbusiness license holder: \$1,000;

2. The fee to apply for a change or modification of the cannabis business' capacity or physical plant is \$2,000;

i. This fee shall not apply to a microbusiness converting to a standard cannabis business pursuant to N.J.A.C. 17:30-7.15; and

3. The fee to apply for the transfer of more than 50 percent of ownership interest in a license holder is \$20,000.

i. Any financial source, management services contractor, owner, or principal may be required to pay background investigation fees as part of an ownership interest transfer