



State of New Jersey
CANNABIS REGULATORY COMMISSION

P.O. BOX 216
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JEFF BROWN, *Executive Director*

July 31, 2023

Evan Kolakowski
ekolakowski@terrascendnj.com
TerrAscend NJ
130 Old Denville Road
Boonton, NJ 07005

Re: **FINAL AGENCY DECISION**
DENIAL OF TERRASCEND NJ'S REQUEST TO TRANSFER
OWNERSHIP OF TWO CLASS 5 CANNABIS RETAILER LICENSES
TO APOTHECARIUM DISPENSING LLC

Dear Evan Kolakowski:

The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has received and reviewed your request to approve the transfer of TerrAscend NJ LLC's ("TerrAscend") adult-use Class 5 Cannabis Retailer licenses in Maplewood, New Jersey, and Lodi, New Jersey, to Apothecarium Dispensing LLC, ("Apothecarium") while allowing TerrAscend to continue to hold the medicinal dispensary permits in those same locations. Your request has been denied.

NJ-CRC Review of Ownership Transfer Request

TerrAscend currently operates with the following medical cannabis permits and personal-use cannabis business licenses issued by the Commission:

Location	Permit or License Issued
55 South Main Street, Phillipsburg, NJ 08865	Medical cannabis dispensary permit Class 5 Cannabis Retailer license
1865 Springfield Avenue,	Medical cannabis dispensary permit

Maplewood, NJ 07040	Class 5 Cannabis Retailer license
17 South, Lodi, NJ 07644	Medical cannabis dispensary permit Class 5 Cannabis Retailer license
130 Old Denville Road, Boonton, NJ 07005	Medical cannabis cultivation permit Medical cannabis manufacturing permit Class 1 Cannabis Cultivator license (Tier IV) Class 2 Cannabis Manufacturer license

After completing a thorough review of your request, including a review of TerrAscend and Apothecarium’s corporate structures, the Commission has determined that the proposed transfer of TerrAscend’s two Class 5 Cannabis Retailer licenses to Apothecarium would violate numerous statutory and regulatory provisions.

First, approving the transfer of the two Class 5 Cannabis Retailer licenses to Apothecarium, would, in effect, allow Apothecarium to bypass the statutory and regulatory requirements regarding the licensure of cannabis businesses. Pursuant to P.L.2021, c.16, certain alternative treatment centers (“ATCs”) were offered the opportunity to expand operations to include adult-use cannabis activities without the submission of a full application to the Commission, “as the application requirement is deemed satisfied by the alternative treatment center’s previously approved permit application that was submitted to the Department of Health.” See N.J.S.A. 24:6I-46(a)(1)(b)(3)(a)(ii). These Expanded ATCs must also abide by the Commission’s personal use regulations under N.J.A.C. 17:30, et. seq., which provide that all entities wishing to enter the adult-use cannabis industry are required to submit an annual cannabis business license application. See N.J.A.C. 17:30-7.10.

TerrAscend is an Expanded ATC and, therefore, is bound by the personal-use cannabis regulations. Unlike TerrAscend, Apothecarium is not an authorized ATC or a licensed cannabis business, nor has Apothecarium submitted an application for a medical cannabis permit or an adult-use cannabis business license. Should Apothecarium wish to hold a personal-use cannabis business license, it will need to submit an application as required by N.J.A.C. 17:30-7.10.

Additionally, the proposed transfer of TerrAscend’s two licenses to Apothecarium would be in direct violation of the limitations on license applicants, license holders, and their owners and principals. N.J.A.C. 17:30-6.8(g) provides that an individual or entity “shall be an owner of only one license applicant or license holder.” By TerrAscend’s own admission, the beneficial ownership of both entities would be identical. N.J.A.C. 17:30-6.8(e) states that a license holder and its owners and principals “may concurrently hold one cannabis cultivator, one cannabis manufacturer, one cannabis retailer, and one cannabis delivery service license.” Any entity wishing to become a personal-use cannabis business, after having its application approved in accordance with the regulations, would only be permitted to hold one license of any class. If the proposed transfer was approved, Apothecarium would be in violation of N.J.A.C. 17:30-6.8, as it would hold two

cannabis retailer licenses.

Finally, TerrAscend proposes that TerrAscend and Apothecarium would be located on TerrAscend's existing Lodi and Maplewood premises and the transfer would not change the management of TerrAscend's facilities, the facilities' operations, or the staffing at the facilities. However, the proposed transfer of the licenses to such an unlicensed entity is also violative of N.J.A.C. 17:30-9.4(m)(5)(ii), which states, "nothing shall authorize an alternative treatment center that has not been licensed as an expanded ATC pursuant to N.J.A.C. 17:30-7.1 to purchase or acquire cannabis items in a manner or from a source not permitted by the Jake Honig Compassionate Use Medical Cannabis Act, P.L.2009, c.307 (N.J.S.A. 24:6I-1 et seq.)." Furthermore, N.J.A.C. 17:30-9.4(m)(5)(iii) states that "nothing shall authorize an alternative treatment center that has not been licensed as an expanded ATC pursuant to N.J.A.C. 17:30-7.1 to operate on the same premises as a cannabis business license applicant or license holder." Allowing Apothecarium to operate as a cannabis retailer from the same location where TerrAscend operates as a medical cannabis dispensary would violate the prohibition against an unlicensed entity operating on the same premises as a licensee.

For the reasons stated above, TerrAscend's request for approval to transfer two Class 5 Cannabis Retailer licenses to Apothecarium is denied.

Next Steps

You have the right to appeal this decision to the Superior Court of New Jersey, Appellate Division, within 45 days of the date of this letter in accordance with the Rules Governing the Courts of the State of New Jersey. All appeals should be directed to:

Superior Court of New Jersey
Appellate Division
Attn: Court Clerk
P.O. Box 006
Trenton, New Jersey 08625

Should you have any questions regarding this correspondence, please submit your inquiry to the NJ-CRC Licensing inbox at crc.licensing@crc.nj.gov.

Sincerely,



Dianna Houenou
Chairperson
New Jersey Cannabis Regulatory Commission