



State of New Jersey
CANNABIS REGULATORY COMMISSION

PHILLIP D. MURPHY
Governor

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

SHEILA Y. OLIVER
Lt. Governor

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MARIA DEL CID-KOSSO, *Commissioner*
CHARLES BARKER, *Commissioner*
JEFF BROWN, *Executive Director*

RESOLUTION 2022-3
DENYING REQUEST FOR STAY OF 2019 RFA AWARD PENDING APPEAL OF
PERMITS TO OPERATE A VERTICALLY INTEGRATED ALTERNATIVE
TREATMENT CENTER IN THE CENTRAL REGION

WHEREAS, P.L.2019, c.153, “Jake Honig Compassionate Use Medical Cannabis Act,” (“the Act”) authorizes a process for receipt of applications and issuance of permits to operate Alternative Treatment Centers (“ATCs”) in the state of New Jersey; and

WHEREAS, the authority to regulate and enforce activities related to medical cannabis previously was vested in the New Jersey Department of Health (“the Department”), and now vests in the New Jersey Cannabis Regulatory Commission (“the Commission”) pursuant to P.L. 2019, c.153; and

WHEREAS, on July 1, 2019, the Department posted a Request for Applications (“RFA” or “2019 RFA”) to select entities to operate up to twenty-four (24) ATCs; and

WHEREAS, of those twenty-four (24) ATCs, the RFA allowed for the issuance of endorsements and permits for up to fifteen (15) dispensaries, five (5) cultivation sites, and four (4) vertically integrated ATCs (which grant the holder the ability to cultivate, manufacture, and dispense medical cannabis and medical cannabis products under a single permit); and

WHEREAS, of the four vertically integrated ATCs to be awarded, one was to be located in each of the three regions of the state (Northern, Central, and Southern), and one was to be located in a region determined at the time of award based on patient need; and

WHEREAS, on or about November 18, 2019, and pursuant to the RFA, the Department conducted a completeness review and determined that certain applications for vertically integrated permits were disqualified due to submission of incomplete or otherwise deficient applications; and

WHEREAS, consistent with N.J.A.C. 8:64-6.2 and 6.4 (now N.J.A.C. 17:30A-6.2 and 6.4), disqualified applicants were given 45 calendar days to appeal their Final Agency Decisions in the Superior Court of New Jersey, Appellate Division (the “Court”); and

WHEREAS, seventeen (17) disqualified applicants appealed their Final Agency Decisions and several applicants filed motions for a stay; and

WHEREAS, on December 23, 2019, the Court issued a stay of proceedings related to the

July 2019 RFA and on January 14, 2020, clarified the scope of the stay to include all administrative proceedings regarding the RFA, including scoring of applications; and

WHEREAS, on February 17, 2021, the Court issued a decision in the appeals and affirmed the Department's Final Agency Decisions in all but one case and dissolved the stays in place, allowing the RFA to proceed; and

WHEREAS, following the Court's decision, scoring resumed under the oversight of the Department after a refresher training was held for the scoring committee on February 23, 2021; and

WHEREAS, on April 12, 2021, the Commission adopted Resolution 2021-2, thereby assuming regulatory oversight authority from the Department for all medical cannabis activities, including the July 2019 RFA; and

WHEREAS, consistent with the 2019 RFA and following statistical review and quality control of the scoresheets, the CRC on October 15, 2021 adopted Resolution 2021-16 to accept the Executive Director's recommendation to award four vertically integrated permits and to disqualify all other applicants from the 2019 RFA process; and

WHEREAS, of the four entities issued a vertically integrated award, one was located in the Northern region, one was located in the Southern region, and two were located in the Central region; and

WHEREAS, on December 1, 2021, Curio Holdings NJ, LLC ("Curio") submitted a Request for Stay of Award Pending Appeal of Permits to Operate a Vertically Integrated Alternative Treatment Center in the Central Region ("Request for Stay"), specifically challenging the two applications awarded in the Central region; and

WHEREAS, following receipt of the Curio Request for Stay, on December 3, 2021, the Commission requested responses from Altus New Jersey LLC and Holistic NJ I LLC, the two awardees of the Central Region; and

WHEREAS, by December 17, 2021, both awardees from the Central Region, Altus New Jersey LLC and Holistic NJ I LLC, each submitted responses to the Curio Request for Stay, requested that Curio's request be denied and providing legal analysis in support of their request; and

WHEREAS, on December 20, 2021, the Commission provided Curio with an opportunity to submit a reply to the Altus and Holistic responses; and

WHEREAS, Counsel for the Commission reviewed the Request for Stay and has provided the Commission with a recommendation on how to proceed; and

WHEREAS, following review of all pertinent information, and the relevant laws and legal standards, Counsel has recommended that the Commission deny Curio Holdings NJ, LLC's Request for Stay; and

WHEREAS, the Commission is statutorily charged with ensuring that a sufficient number

of ATCs are operational to meet the needs of patients enrolled in New Jersey’s medicinal cannabis program; and

WHEREAS, in addition to Counsel’s determination that Curio Holdings NJ, LLC is unlikely to succeed on the merits of its appeal, the result of a stay will delay the permitting process, which will likely result in a strained market and an inability of current ATCs to meet the needs of the increasing number of patients enrolled in New Jersey’s medicinal cannabis program;

NOW, THEREFORE, BE IT RESOLVED, pursuant to the terms of the 2019 RFA, the Final Agency Decisions issued pursuant to the 2019 RFA, and the legal standard for issuance of a stay pending appeal, and in the interest of meeting the Commission’s statutory obligation to ensure that ATCs can meet the needs of the state’s patient population, Curio Holdings NJ, LLC’s request for a Stay of Award Pending Appeal of Permits to Operate a Vertically Integrated Alternative Treatment Center in the Central Region is hereby **DENIED**.

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 7th day of January, 2022.



Jeff Brown, Executive Director

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			