



RECOMMENDATION REPORT

MEETING DATE: 7/18/23	TOTAL REC. #: 89	REPORT DATE: 6/26/23
TO: Deputy Director, Kelly Anderson-Thomas THROUGH: Chief Counsel, Christopher Riggs FROM: Director of Licensing, Megan Tagliaferri, Director of Compliance and Investigations, Paul Urbish		

BACKGROUND

On August 19, 2021, the Cannabis Regulatory Commission (herein referenced as “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.

This memo outlines the process and recommendations concerning 40 applications for conditional licenses, 35 applications for conditional conversion licenses, and 14 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: 40

Cultivator 11

Manufacturer 8

Retailer 21

Conversions: 35

Cultivator 10

Manufacturer 6

Retailer 19

Annuals: 14

Cultivator 6

Manufacturer 5

Retailer 3

Testing 0



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. 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 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 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).
6. 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. 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 2023-72. 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. 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:	40	
Social Equity Business	11	
Diversely Owned Businesses	21 (7M, 5MW, 9W)	
Impact Zone Businesses	2	
Conversions:	35	
Social Equity Businesses	9	
Diversely Owned Businesses	20 (3M, 8MW, 9W)	
Impact Zone Businesses	5	
Annuals:	14	
Social Equity Business	1	
Diversely Owned Businesses	4 (1M, 3W)	
Impact Zone Businesses	2	

Note: Disabled Veteran-Owned (“DV”), Minority-Owned (“M”), Minority and Woman-Owned (“MW”), Woman-Owned (“W”)



LIST

App ID	Applicant Business Name	Application Type	Priority	DOB Category	Business Type	Business Category
1535	Agrovida LLC	Conditional	1A		Retailer	Micro
2955	Dragon Pit LLC	Conditional	1A		Cultivator	Micro
3252	Happy Kola Brands	Conditional	1A		Cultivator	Micro
1702	Hazlie Corri-Ahna	Conditional	1A		Cultivator	Micro
3066	Straight Gas Boys	Conditional	1A		Cultivator	Micro
2891	CannaLife LLC	Conditional	1B		Cultivator	Standard
2892	CannaLife LLC	Conditional	1B		Manufacturer	Standard
2890	CannaLife LLC	Conditional	1B		Retailer	Standard
3031	East Coast Double Dose LLC	Conditional	1B		Retailer	Standard
3049	Hometown Organics LLC	Conditional	1B		Retailer	Standard
3047	Juniper Lane NJ Corp	Conditional	1B		Retailer	Standard
3037	Cannabis City 137 LLC	Conditional	2A	MBE	Retailer	Micro
3013	Green Leevz	Conditional	2A	MBE	Cultivator	Micro
2996	Legally Bud LLC	Conditional	2A	WBE	Manufacturer	Micro
3007	RECLEAF, LLC	Conditional	2A	MBE	Retailer	Micro
3107	Bud City NJ LLC	Conditional	2B	WBE	Retailer	Standard
2991	Canna Supply LLC	Conditional	2B	WBE	Retailer	Standard
2758	Cannabis Cultivation & Distribution	Conditional	2B	MWBE	Cultivator	Standard
2230	Chroma New Jersey LLC	Conditional	2B	MWBE	Retailer	Standard
2932	Demeter's Botanical Garden	Conditional	2B	MWBE	Retailer	Standard
2967	Four80 Dispensary	Conditional	2B	MBE	Retailer	Standard
2977	Herb Healers	Conditional	2B	MBE	Retailer	Standard
3268	Herbal Wellness Farmacy	Conditional	2B	MWBE	Retailer	Standard
3010	Highland Green Holdings LLC	Conditional	2B	WBE	Cultivator	Standard
2924	IceKream2 LLC	Conditional	2B	MWBE	Retailer	Standard
3291	Pure Canna Xtract	Conditional	2B	WBE	Manufacturer	Standard
2988	Seaside Budds, LLC	Conditional	2B	WBE	Retailer	Standard
2865	Square Mile Botanicals, LLC	Conditional	2B	WBE	Manufacturer	Standard
3095	The Bud House, LLC	Conditional	2B	WBE	Cultivator	Standard
2976	Vidu Brothers Cannabis Inc.	Conditional	2B	MBE	Retailer	Standard
3014	WeedCraft, Inc.	Conditional	2B	WBE	Manufacturer	Standard
2292	Whoopfam LLC	Conditional	2B	MBE	Retailer	Standard



App ID	Applicant Business Name	Application Type	Priority	DOB Category	Business Type	Business Category
3054	Blizzy BAKD	Conditional	3B		Retailer	Standard
2927	HiBlend	Conditional	3B		Cultivator	Standard
2547	The Cannabis Collection	Conditional	5A		Retailer	Micro
2417	Twister Cannabis	Conditional	5A		Manufacturer	Micro
3016	MAKNJ Holdings	Conditional	5B		Retailer	Standard
2973	Shipwreck'd Labs LLC	Conditional	5B		Manufacturer	Standard
2982	Smile High LLC	Conditional	5B		Cultivator	Standard
2983	Smile High LLC	Conditional	5B		Manufacturer	Standard
2766	Cana-Bosem, LLC	Conversion	1C		Cultivator	Standard
2751	Cana-Bosem, LLC	Conversion	1C		Manufacturer	Standard
2526	Pigment Cultivation Company LLC	Conversion	1C		Cultivator	Standard
2596	Pigment Manufacturing Company LLC	Conversion	1C		Manufacturer	Standard
2710	Simply Pure Downtown Trenton LLC	Conversion	1C		Retailer	Micro
2091	Terrapin Investment Fund II Cultivation, LLC	Conversion	1C		Cultivator	Standard
2793	Verdure Ventures LLC	Conversion	1C		Cultivator	Standard
2794	Verdure Ventures LLC	Conversion	1C		Manufacturer	Standard
2613	Zacate LLC	Conversion	1C		Retailer	Standard
2553	Cookies Harrison LLC	Conversion	2C	WBE	Retailer	Standard
2413	Dr. Green Leaf LLC	Conversion	2C	MWBE	Retailer	Micro
2648	Grotech Farms, LLC	Conversion	2C	WBE	Manufacturer	Standard
2488	Honeybuzz Farms	Conversion	2C	WBE	Retailer	Standard
2623	J & J Flowers LLC	Conversion	2C	MWBE	Retailer	Standard
2421	Joy Leaf NJ LLC	Conversion	2C	WBE	Retailer	Standard
2609	Liberty Flower Company	Conversion	2C	MWBE	Retailer	Standard
2652	Little Leaf Labs, LLC	Conversion	2C	WBE	Manufacturer	Micro
2557	Munsee Three Sisters Medicinal Farm	Conversion	2C	MWBE	Retailer	Micro
2402	Natural Apothecary	Conversion	2C	MWBE	Retailer	Standard
2644	Nightjar Holdings LLC	Conversion	2C	MWBE	Retailer	Standard
2531	North Lake Supply LLC	Conversion	2C	WBE	Cultivator	Standard
2435	OHM Theory LLC	Conversion	2C	MBE	Retailer	Standard



App ID	Applicant Business Name	Application Type	Priority	DOB Category	Business Type	Business Category
2857	Parks Grove LLC	Conversion	2C	WBE	Cultivator	Micro
2638	Phula LLC	Conversion	2C	MWBE	Retailer	Standard
2583	The Cannabis Clubhouse, LLC	Conversion	2C	WBE	Retailer	Micro
2412	The Healing Side LLC	Conversion	2C	MWBE	Retailer	Micro
2541	The Leaf Joint LLC	Conversion	2C	MBE	Retailer	Micro
2748	Tribe New Jersey LLC	Conversion	2C	MBE	Cultivator	Standard
2518	Wizzy's NJ LLC	Conversion	2C	WBE	Retailer	Standard
2604	Blue Harvest LLC	Conversion	3C		Cultivator	Micro
2525	Fresh Cut Cannabis, Inc.	Conversion	3C		Cultivator	Standard
2439	Genesis Technologies II LLC	Conversion	3C		Retailer	Standard
2455	Queen City Remedies LLC	Conversion	3C		Retailer	Standard
2688	The Happy Farmer, LLC	Conversion	3C		Cultivator	Micro
2573	Fernway Garden State LLC	Conversion	5C		Manufacturer	Standard
1184	Elite Business Management Services, LLC	Annual	1E		Cultivator	Standard
2372	Altos Corporation	Annual	2E	MBE	Cultivator	Standard
2216	Castaway Cannabis LLC	Annual	2E	WBE	Retailer	Standard
1146	Green Bubble Farm LLC	Annual	2E	WBE	Cultivator	Standard
1160	Green Bubble Farm LLC	Annual	2E	WBE	Manufacturer	Standard
1270	Inclusion Gourmet LLC	Annual	3D		Manufacturer	Micro
2597	Uforia LLC	Annual	3D		Retailer	Micro
1110	Northeast Alternatives NJ LLC	Annual	3E		Cultivator	Standard
1021	Northeast Alternatives NJ LLC	Annual	3E		Manufacturer	Standard
2153	Woolwich Wellness Company, LLC	Annual	4D		Cultivator	Micro
1199	CSDE Manufacturing LLC	Annual	4E		Manufacturer	Standard
1377	Anka Field LLC	Annual	5E		Cultivator	Standard
1385	Anka Field LLC	Annual	5E		Manufacturer	Standard
1902	Evolve Cannabis LLC	Annual	5E		Retailer	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 June 14, 2023.

Chief Counsel Christopher Riggs



RECOMMENDATION SUMMARY

The 40 conditional, 35 conversion, and 14 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. At the time of proposed recommendation of approval, all businesses reviewed under the DOB status have an active certification in good standing. 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.

A handwritten signature in black ink, appearing to read 'M. Tagliaferri'.

Director of Licensing
Megan Tagliaferri

A handwritten signature in black ink, appearing to read 'P. Urbish'.

Director of Compliance and Investigations
Paul Urbish

Approved by:

A handwritten signature in purple ink, appearing to read 'K. Anderson-Thomas'.

Deputy Executive Director
Kelly Anderson-Thomas



ATTACHMENT A

BACKGROUND AND OVERVIEW OF LICENSURE PROCESS

On August 19, 2021, the Commission adopted rules pursuant to P.L. 2021, C.16 which established the licensure process for cannabis businesses and testing laboratories. N.J.A.C. 17:30-7 outlines the application process and requirements for both conditional license applicants and annual license applicants.

The rules require the CRC to issue a Notice in the New Jersey Register that includes the application requirements for conditional and annual license applications. That Notice must include:

- Measures by which the license applicant will be scored;
- Maximum scores for each individual measure; and
- The total score required for a license applicant to be approved for a license.

On November 9, 2021, the CRC adopted a Notice in accordance with N.J.A.C. 17:30, Subchapters 6 and 7. That Notice was announced and approved at the CRC's November 9, 2021, public meeting, posted on the CRC's website, distributed to the CRC's email list, and was published in the New Jersey Register on December 6, 2021.

The Notice of Application Acceptance was updated twice to correct typos.

Pursuant to N.J.A.C. 17:30-6.1, in addition to the scoring measures and mandatory requirements for license applicants, the Notice also included a detailed list of application priority. Applications are reviewed in accordance 1) with the priority list included in the Notice and 2) in the order in time in which they are received.

The Notice can be found on the CRC's website.¹

In summary, the Notice of Application Acceptance:

- Prioritizes the review and scoring of Social Equity Business license applicants, which are businesses owned by individuals from Economically Disadvantaged Areas or who have past marijuana or hashish convictions, in both conditional and annual license categories;
- Prioritizes conditional license applicants over annual license applicants;

¹ New Jersey Cannabis Regulatory Commission – Notice of Application Acceptance for Personal-Use Cannabis Licenses.
<https://www.nj.gov/cannabis/documents/businesses/personal-use/Final%20Notice%20of%20Application%20Acceptance.pdf>



- Provides that microbusiness applicants are given priority in every category of license application; and
- Establishes pass/fail scoring criteria that comply with the statute and rules by which applications will be reviewed.

To allow the market to develop without arbitrary restrictions on growth, the Notice established no caps on the number of licenses available statewide, except where provided by law, and no geographic restrictions on the availability of licenses.

APPLICATION AND BUSINESS CATEGORY OVERVIEW

N.J.S.A. 24:6I-33 and N.J.A.C. 17:30 establish several categories of cannabis business types and license applications that may be submitted and considered by the CRC.

First, applications can either be for conditional or annual licensure.

Second, a cannabis business can either be a standard sized business or a microbusiness. A microbusiness is limited to 2,500 square feet and ten employees.

Finally, license applicants may qualify as a Social Equity Business, a Diversely-Owned Business, or an Impact Zone business.

Conditional Licenses

Conditional licenses are temporary licenses that will be required to submit organizational and personal information to ensure they are compliant with the law, attest they will comply with a criminal background check, and provide a business plan and regulatory compliance plan. At the time of application, all owners with decision-making authority of the conditional license applicant will need to prove that they made less than \$200,000 in the preceding tax year, or \$400,000 if filing jointly.

If approved and issued a conditional license, a conditional license holder will then be required to have a permanent site for their business, gain control of the property through lease or purchase, gain municipal approval, and submit a conditional conversion application that includes standard operating procedures for the business, an environmental impact plan, a workforce development plan, and a security plan.

Importantly, conditional license holders are NOT authorized to cultivate, manufacture, sell or otherwise possess cannabis or cannabis items. Conditional license holders ARE authorized to move forward in the application process and submit a conditional conversion application to convert to a full annual license through an abbreviated application process.



Annual Licenses

Annual licenses are licenses that, once issued, authorize a license-holder to conduct the full range of activities allowed under the relevant statutes and rules. Applicants for annual licenses are required to submit a more detailed application that includes details for the proposed site for the business, which must be owned or leased, municipal approval, zoning approval, and an operating summary plan in which applicants detail their experience, history, and knowledge of critical pieces of operating a cannabis business.

Social Equity Businesses

Social Equity Businesses are a newly created type of business that is based on either economic need or having a criminal record that includes past marijuana-related offenses. Social Equity Businesses are either:

1. Owned by individuals who have lived in an Economically Disadvantaged Area, as defined by a zip code that has 80% or less of the average median household income in the state and has a health uninsured rate that is at least 150% of the health uninsured rate in the State.
2. Owned by individuals with previous marijuana-related convictions.

The list of Economically Disadvantaged Areas can be found on the CRC's website.²

Diversely-Owned Businesses

Diversely-Owned Businesses is an umbrella term used to describe businesses that are certified by the New Jersey Department of the Treasury as a minority-owned business, a woman-owned business, a disabled veteran-owned business, or any combination of the three.

Impact Zone Businesses

Impact Zone Businesses are businesses that are owned by individuals who have lived in an Impact Zone, are located within an Impact Zone, or plan to offer employment opportunities to residents of Impact Zones.

² New Jersey Cannabis Regulatory Commission – Identifying Economically Disadvantaged Areas.

https://www.nj.gov/cannabis/documents/businesses/priority-applications/Identifying%20Economically%20Disadvantaged%20Areas_FINAL.pdf



A list of Impact Zones can be found on the CRC's website.³

PRIORITY REVIEW OVERVIEW

The CRC's rules for personal-use cannabis establish a licensure process under which applications are reviewed on a rolling basis and sorted in accordance with the priority outlined in the rules and detailed in the Notice of Application Acceptance.

The current priority designation, which was followed for application reviews included in the is recommendation, is:

1. Social Equity Businesses, ordered by first in time, that:
 - a. Have submitted a conditional license application for a microbusiness;
 - b. Have submitted a conditional license application for a standard business;
 - c. Have submitted a conditional license conversion application;
2. Diversely Owned businesses, ordered by first in time, that:
 - a. Have submitted a conditional license application for a microbusiness;
 - b. Have submitted a conditional license application for a standard business;
 - c. Have submitted a conditional license conversion application;
3. Impact Zone Businesses, ordered by first in time, that:
 - a. Have submitted a conditional license application for a microbusiness;
 - b. Have submitted a conditional license application for a standard business;
 - c. Have submitted a conditional license conversion application;
4. License applicants receiving bonus points pursuant to N.J.S.A. 24:6I-36.d(2) and the Notice, ordered by first in time, that:
 - a. Have submitted a conditional license application for a microbusiness;
 - b. Have submitted a conditional license application for a standard business;
 - c. Have submitted a conditional license conversion application;
5. All other applicants for conditional licenses, ordered by first in time, that:
 - a. Have submitted a conditional license application for a microbusiness;
 - b. Have submitted a conditional license application for a standard business;
 - c. Have submitted a conditional license conversion application;
6. Social Equity Businesses, ordered by first in time, that:
 - a. Have submitted an annual license application for a microbusiness;
 - b. Have submitted an annual license application for a standard business;
7. Diversely-Owned businesses, ordered by first in time, that:
 - a. Have submitted an annual license application for a microbusiness;

³ New Jersey Cannabis Regulatory Commission – Identifying Economically Disadvantaged Areas.
<https://www.nj.gov/cannabis/documents/businesses/priority-applications/Impact%20Zones%20abstract%20.pdf>.



- b. Have submitted an annual license application for a standard business;
8. Impact Zone Businesses, ordered by first in time, that:
 - a. Have submitted an annual license application for a microbusiness;
 - b. Have submitted an annual license application for a standard business;
9. License applicants receiving bonus points pursuant to N.J.S.A. 24:6I-36.d(2) and the Notice, ordered by first in time, that:
 - a. Have submitted an annual license application for a microbusiness;
 - b. Have submitted an annual license application for a standard business; and
10. All other applicants for annual licenses, ordered by first in time, that:
 - a. Have submitted an annual license application for a microbusiness;
 - b. Have submitted an annual license application for a standard business.

Under this system of application review, license applications are ordered first by their priority designation. For example, a conditional application for a microbusiness that qualifies as a Social Equity Business receives highest overall priority. Secondly, license applications are ordered by the time at which they submit. This means that when a conditional application for a microbusiness that qualifies as a Social Equity Business submits, they don't get ordered at the end of the overall line – they get ordered at the end of the line for priority group “1A”.

All license applications get reviewed, scored, and either approved, rejected, or denied – but some are done before others in accordance with this priority.

There are two points in the process when priority is assessed: 1) when the application is submitted and begins the review and scoring process; and 2) when the application review is complete, and it is deemed eligible for approval.

Between those two points, some applications may take longer to review so some lower priority applications may be deemed eligible for approval before higher priority applications, even though they began the process before the lower priority applications. But once a group of applications is deemed eligible for approval, overall priority is once again assessed, and approvals are done in accordance with that priority.