



State of New Jersey
CANNABIS REGULATORY COMMISSION

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CHRIS RIGGS, *Acting Executive Director*

July 26, 2024

[REDACTED]
AYR Wellness NJ LLC
[REDACTED]

Re: FINAL AGENCY DECISION

*Acceptance of Expanded Alternative Treatment Center's ("Expanded ATC")
Renewal Application to Operate in Personal-Use Cannabis Market*

Dear [REDACTED]:

Congratulations! The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has approved your request for license renewal(s) to operate as an Expanded Alternative Treatment Center. The above-listed entity will be permitted to engage in adult, personal-use cannabis activities in New Jersey under the following licenses and at the following locations for an additional year:

1. Class 1 Cannabis Cultivator, 950 US Highway 1 N, Woodbridge NJ, Expiration October 11, 2025

This letter serves as written notice that the above-listed ATC has submitted complete, accurate, and verifiable information, and the NJ-CRC has approved the expanded ATC to operate in the adult personal-use market for an additional year. Details on the Commission's review of materials, terms and conditions of Commission approval, and next steps are provided below. Please read the following information carefully; failure to satisfy any requirement may result in penalties levied against the expanded ATC, including fines and license suspension, revocation, or renewal denial.

NJ-CRC Review of Renewal Application Materials

Pursuant to N.J.A.C. 17:30-9.4(m)(4), after the end of the second year of expanded ATC's licensure, the license renewal process pursuant to N.J.A.C. 17:30-7.16 shall be followed.

Pursuant to N.J.A.C. 17:30-7.16(a), a license holder holding an annual license, including an annual license converted from a conditional license, shall renew such annual license annually. Pursuant to N.J.A.C. 17:30-7.16(c), A license holder shall submit a renewal application no later

than 90 days prior to the expiration of the current cannabis business license. Submission within 90 days of expiration of the current cannabis business license may result in a lapse in the cannabis business's licensure and subject the cannabis business to enforcement action.

Pursuant to N.J.A.C. 17:30-7.16(d), the following may be grounds for denial of a license renewal application:

1. Failure to provide truthful, correct, and current information;
2. Failure to maintain compliance with the Act or this chapter;
3. Failure to maintain its diversely owned business, impact zone business, social equity business, or microbusiness status;
4. The inclusion of a person or entity not deemed qualified to hold a license; or
5. The commission of three or more major violations within the preceding 12 months.

Additionally, an expanded ATC must pay the requisite renewal fees for each requested license under N.J.A.C. 17:30-7.17.

Terms and Conditions of NJ-CRC Approval

The Commission's approval provided herein is based and conditioned on the information provided in the entity's certification materials. It is your responsibility to ensure the entity understands and complies with all applicable regulations, regardless of whether they are expressly mentioned in this letter. Furthermore, because the approval is conditioned on evidence that the entity's adult-use cannabis activities will not negatively impact patient access to medicinal cannabis, the Commission's acceptance of the entity's certification materials is subject to the terms and conditions explained below regarding patient access, medicinal cannabis inventory, social equity, labor, and product testing.

Adherence to the entity's plans submitted to the Commission and the terms and conditions below is an ongoing requirement for licensure as an Expanded Alternative Treatment Center. Failure to adhere to the conditions and commitments in the entity's certification materials, or failure to satisfy any required terms and conditions set forth below, may result in adverse action taken against the expanded ATC, including suspension or revocation of any issued permit or license. The NJ-CRC is authorized to take these enforcement actions pursuant to N.J.A.C. 17:30-20.5.

Plans for Patient Access

The expanded ATC must satisfy all of the following conditions:

- For Class 5 Retailers Only: Have business operating hours include at least 14 patient-only hours spread over at least three (3) days per week, including at least one (1) weekend day. Patient-only hours should be held at different times throughout the week to accommodate patients and designated caregivers with different schedules;
- Provide exclusive parking options for patients and designated caregivers at all times;
- Designate points-of-sale that will be available for use exclusively by patients and

designated caregivers at all times. All points-of-sale shall be available for patient use at any time. If patients are experiencing a wait time in excess of five (5) minutes, other points-of-sale must be made available to serve patients to reduce the wait time before serving personal-use cannabis purchasers;

- Provide express access to the ATC to minimize the wait time for patients and designated caregivers;
- Provide patients and designated caregivers with the exclusive ability to reserve products ahead of time so that they can be assured their order will be filled when going to the ATC;
- Provide a patient access telephone line staffed by ATC employees during all business hours to assist patients and designated caregivers trying to access the ATC;
- Within 30 days of being issued the above-listed licenses, hold at least two (2) virtual town halls with registered patients and caregivers to provide information on the ATC's patient access plan. Each virtual town hall must be conducted in a manner that complies with any applicable patient privacy laws and regulations; and
- Provide the NJ-CRC with weekly reports on patient access. Weekly reports must include, at a minimum, the following information:
 - Average wait times for patients
 - Number of patients served
 - Medicinal Cannabis Product Dispensed
 - Medicinal Cannabis Product on-hand (packaged)
 - Medicinal Cannabis Product on-hand (bulk)

Additionally, the NJ-CRC encourages, but is not requiring, each expanded ATC to provide exclusive home delivery for patients and online ordering and exclusive express curbside pick-up for patients.

The expanded ATC must cooperate with the NJ-CRC by providing weekly reports on the entity's efforts to maintain patient access to medicinal cannabis.

Plans for Ensuring Adequate Medicinal Cannabis Inventory

The expanded ATC must maintain a "Minimum Adequate Supply" of medicinal cannabis for patients, plus a "Reasonable Minimum Reserve."

A Minimum Adequate Supply shall be calculated by determining the average purchases of packaged products by patients in the preceding three (3) months at the ATC. The "Minimum Adequate Supply" should be adjusted up to account for new patient enrollment, should the ATC experience an increase in the number of patients enrolled at the ATC month over month.

Minimum Adequate Supply = [(current patients enrolled at the ATC) ÷ (patients enrolled at the ATC 3 months prior)] × (Average amount of medical cannabis purchased over the preceding three (3) months at the ATC)

A Reasonable Minimum Reserve shall be a three-month reserve calculated by determining the average amount of medical cannabis purchased over the last three (3) months and multiplying it by three (3). To meet the Reasonable Minimum Reserve, the ATC may include packaged and bulk

product. The ATC may also include flower that is drying or curing, and the raw materials for manufacturing medicinal cannabis products.

$$\text{Reasonable Minimum Reserve} = [\text{Minimum Adequate Supply}] \times 3$$

The expanded ATC must cooperate with the NJ-CRC by providing weekly reports on medicinal product availability and inventory levels.

Plans for Social Equity

The expanded ATC must satisfy all of the following conditions:

- In accordance with N.J.A.C. 17:30-9.4(e), make a good faith effort to employ individuals who either:
 - (1) have past marijuana- or hashish-related convictions, or
 - (2) at the time of employment, have lived in an Economically Disadvantaged Area for five (5) of the last ten (10) years *and* in the preceding tax year made 80% or less of the median house-hold family income.Any such efforts shall be conducted in compliance with P.L. 2014, c.32, P.L. 2019, c.199, and any other applicable employment or labor laws and regulations.
- Submit progress reports that include specifics on the good faith efforts being made to ensure the expanded ATC's social equity plans as presented in the entity's certifications to the NJ-CRC are being achieved. These progress reports should be prepared in accordance with guidance from the Commission's Office of Diversity and Inclusion.

The Commission may request additional information from the expanded ATC to help it determine if efforts are being made in good faith.

Labor Peace and Collective Bargaining

If a majority of the expanded ATC's employees express interest in a particular bona fide labor organization, as defined under N.J.S.A. 24:6I-1 through 56, the expanded ATC shall make a good faith effort to negotiate and execute a labor peace agreement with that bona fide labor organization. Labor peace agreements provide the NJ-CRC with the assurance that, should an entity be licensed, its operations will not be shut down due to labor-dispute or labor-related work stoppages.

After entering into a labor peace agreement, if a majority of the expanded ATC's employees support joining a particular bona fide labor organization, then the expanded ATC shall, within 200 days of executing a labor peace agreement, make a good faith effort to enter into a collective bargaining agreement.

Failure of an expanded ATC to abide by its executed labor peace and collective bargaining agreements may result in adverse action against the entity, including possible suspension or revocation of an ATC's license or permit or denial of any permit or license renewal.

Laboratory Testing

The expanded ATC is required to utilize a Commission-licensed testing laboratory to test cannabis items pursuant to the Commission's regulations.

Next Steps

By accepting this provisional award for license renewal, the expanded ATC is agreeing to be subject to the terms and conditions stated in this letter, as well as any requirements in applicable regulation. Before the license is renewed, the expanded ATC must submit payment for the associated renewal licensing fee under N.J.A.C. 17:30-7.17 for each license. Accordingly, payment in the amount of **\$50,000** is due and owed before the entity can continue to engage in any activities associated with the adult-use cannabis market for an additional year. The breakdown of fees is as follows:

- Class 1 Cannabis Cultivator, 950 US Highway 1 N, Woodbridge NJ, Expiration October 11, 2025: **\$50,000**

The NJ-CRC will email you an invoice that must be paid online using the Commission's licensing portal. If payment is not received within thirty (30) days of accepting this award, the NJ-CRC will email a final notice regarding the unpaid invoice. Failure to pay the required fees within sixty (60) days of accepting this award will result in the award automatically being rescinded and the entity's license renewal being rejected in the online licensing portal.

Congratulations once again on your successful request and thank you for your continued interest in working with the NJ-CRC to establish a safe and equitable cannabis industry for the state of New Jersey. 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