

State of New Jersey Cannabis Regulatory Commission P.O. BOX 216 Trenton, N.J. 08625-0216

PHILLIP D. MURPHY Governor

TAHESHA L. WAY *Lt. Governor* DIANNA HOUENOU, Chair SAMUEL DELGADO, Vice Chair KRISTA NASH, Commissioner MARIA DEL CID-KOSSO, Commissioner CHARLES BARKER, Commissioner CHRIS RIGGS, Acting Executive Director

February 25, 2025

Danielle Zill-Barry The Cannabis Clubhouse, LLC

Re: FINAL AGENCY DECISION *APPROVAL OF APPLICATION TO CONVERT FROM MICROBUSINESSES TO STANDARD CANNABIS BUSINESSES*

Dear Danielle Zill-Barry:

Congratulations! The New Jersey Cannabis Regulatory Commission ("NJ-CRC") has approved your application to convert your microbusiness and operate a standard cannabis business. The above-listed entity will be permitted to operate as a standard cannabis business in the State of New Jersey:

• Class 5 Cannabis Retailer, 70-72 East Main St., Sussex, NJ

This letter serves as written notice that the above-listed entity has submitted complete, accurate, and verifiable information, and the NJ-CRC has approved the entity to operate as a standard cannabis business. Details on the Commission's review of application materials, terms and conditions of Commission approval, and next steps are provided below. Please read the following information carefully; failure to satisfy any requirements may result in penalties levied against the entity, including fines and license suspension, revocation, or renewal denial.

NJ-CRC Review of Microbusiness Conversion Application Materials

Pursuant to N.J.A.C. 17:30-7.15, the NJ-CRC shall approve an application to convert a microbusiness to a standard cannabis business where the license applicant:

- (1) Has been operational for at least one year and be in good standing with the Commission;
- (2) has submitted a complete microbusiness conversion application in accordance with N.J.A.C. 17:30-7.15;
- (3) Has submitted an attestation signed by a bona fide labor organization stating that the license applicant has entered into a labor peace agreement with such bona fide labor organization;
- (4) has submitted its microbusiness conversion application submission fee, as applicable, pursuant to N.J.A.C. 17:30-7.17.

The NJ-CRC Board of Commissioners has determined that the above-referenced entity has satisfied all the criteria.

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 application materials. As such, the Commission's approval of the entity's application is subject to the terms and conditions explained below. Adherence to the entity's plans submitted to the Commission and the terms and conditions below is an ongoing requirement for licensure as a cannabis business. Failure to adhere to the conditions and commitments in the entity's application materials, or failure to satisfy any required terms and conditions set forth below, may result in adverse action taken against the entity, 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.

As a licensee, you are subject to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization ("CREAMM") Act as well as all regulations implementing the CREAMM Act, set forth at N.J.A.C. 17:30. 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.

Additionally, please be advised that pursuant to N.J.A.C. 17:30-7.14(g), you have a continuing duty to seek approval for or report material changes in the information submitted as part of the annual license application, pursuant to N.J.A.C. 17:30-9.2. Examples of material changes that must be reported to the NJ-CRC for approval include:

- (1) any changes in ownership,
- (2) changes of management services contractors or changes to the terms of a management services agreement,
- (3) changes of financial sources or changes to the terms of a financial source agreement,
- (4) changes of location,
- (5) modifications of an entity's capacity, physical plant or premises, and
- (6) changes of the cannabis business's name.

Please be advised that there will be an ongoing and continuing review of financial source and management services agreements to ensure the entity is compliant with the governing regulations.

Next Steps

By accepting this provisional award for a standard cannabis business license, the cannabis business is agreeing to be subject to the terms and conditions stated in this letter, as well as any requirements in the applicable regulations. Before the license is amended, the cannabis business must submit payment for the associated conversion fee under N.J.A.C. 17:30-7.17. Accordingly, payment in the amount of **\$800** is due and owed before the entity can begin to operate as a standard cannabis business. The breakdown of fees is as follows:

• Class 5 Cannabis Retailer, 70-72 East Main St., Sussex, NJ: \$800

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 business being required to continue operating as a microbusiness.

Pursuant to N.J.A.C. 17:30-7.15(h), after approving an application, Commission staff may conduct an onsite assessment of the cannabis business and determine whether the cannabis business's premises, operations, plans, procedures, protocols, and actions are consistent with the microbusiness conversion application and compliant with the CREAMM Act, the governing regulations, and any additional requirements provided by the NJ-CRC, and whether they are being implemented. The Commission will provide the amended license to the entity, unless the NJ-CRC finds the entity is not in compliance with N.J.A.C. 17:30-7.15(h). If the Commission determines that the license holder is not compliant with N.J.A.C. 17:30-7.15(h), the license holder shall continue to operate as a microbusiness in compliant with N.J.A.C. 17:30-6.7.

Again, congratulations on your successful application 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 <u>crc.licensing@crc.nj.gov</u>.

Sincerely,

Dianna Houenou Chairperson New Jersey Cannabis Regulatory Commission