



MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD
FROM: CHRISTOPHER RIGGS, ACTING EXECUTIVE DIRECTOR
SUBJECT: TRANSFERS OF OWNERSHIP – APPLICATION AMENDMENTS
DATE: OCTOBER 1, 2025

BACKGROUND: Over the course of the prior months, several adult-use license awardees have submitted proposed changes to their ownership structures. This memorandum will outline the changes to ownership that have been proposed. The changes, contracts, and new parties to the industry have been vetted by the Office of Compliance and Investigations and have been deemed regulatorily compliant and holding the necessary qualifications. The supplemental reports created by the investigators in the Office of Compliance and Investigations have been summarized here for the benefit of the Commissioners and Executive staff.

AUTHORITY: Pursuant to N.J.S.A. 24:6I-7(k)(2), the sale or transfer of any interest of five percent or more in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit shall be subject to approval by the New Jersey Cannabis Regulatory Commission (the “Commission”) and conditioned on the entity that is purchasing or receiving transfer of the interest in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit completing a criminal history record background check pursuant to the requirements of the statute.

Pursuant to N.J.A.C. 17:30A-7.5, an Alternative Treatment Center (“ATC”) permit is not assignable or transferable without Commission approval, and it shall be immediately null and void if the alternative treatment center ceases to operate, if the alternative treatment center’s ownership changes or if the alternative treatment center relocates.

Pursuant to N.J.A.C. 17:30A-7.10, the fee to apply for the transfer of ownership for an ATC is \$20,000.

The governing personal use regulations regarding transfers of ownership interest fall under N.J.A.C. 17:30-9.3 and are as follows:

- (a) From the submission of a conditional license conversion application or an annual license application to at least two years after the cannabis business commences operations,



a license holder holding an annual license shall not make any change to more than 50 percent of its ownership interest, except that:

1. A transfer of ownership interest in a license applicant or license holder from a deceased owner to their heir shall not be prohibited; and
2. A transfer of ownership interest in a license applicant or license holder from a deceased owner to their surviving spouse, domestic partner, or civil union partner, if the license was issued jointly to both the parties, shall not be prohibited.

(b) From the submission of the conditional license conversion application or an annual license application to at least two years after the cannabis business commences operations, a license holder may add new loans from new or existing financial sources or gifts.

(c) Until at least two years after the cannabis business commences operations, a diversely owned business license holder shall maintain all conditions required to qualify as eligible for its diversely owned business certification.

(d) Until at least two years after the cannabis business commences operations, a social equity business license holder shall maintain the conditions required to qualify for its social equity business status.

(e) A license holder operating as a microbusiness shall not transfer ownership interest such that the license holder no longer qualifies as a microbusiness.

(f) If the cannabis business ceases operations during the two-year period after the cannabis business commences operations, the license holder may not transfer the license to another entity; the license will be considered to be abandoned and will be returned to the Commission.

(g) A cannabis business license holder shall not provide, transfer, or sell, or offer to provide, transfer, or sell any ownership interest to or employ or offer to employ any Commission member or employee restricted from such transactions by the provisions of sections 33 through 35 of P.L. 2019, c. 153 (N.J.A.C. 24:6I-26 through 28).

(h) The Commission retains discretion to determine when a transfer of ownership interests has occurred.

Pursuant to N.J.A.C. 17:30-7.17(j)(3), the fee to apply for the transfer of more than 50 percent of ownership interest in a license holder is \$20,000.



COMPLETENESS REVIEW:

Earth and Ivy LLC (Class 5 Cannabis Retailer)

Earth and Ivy LLC, a cannabis retailer, requests approval whereby

No new owners are proposed to be added, and all existing owners were previously vetted and determined to be qualified by the NJ-CRC, with no derogatory information found. The entity commenced operations on May 3, 2023, and therefore this transfer of majority ownership is compliant with N.J.A.C. 17:30-9.3(a) as the entity has been operational for more than two years.

ElevenEleven LLC (Class 1 Cannabis Cultivator and Class 2 Cannabis Manufacturer)

ElevenEleven LLC, a cannabis cultivator and cannabis manufacturer, requests approval whereby minority

no derogatory information was found.

Garden Greens LLC (Class 1 Cannabis Cultivator and Class 2 Cannabis Manufacturer)

Garden Greens LLC, a cannabis cultivator and cannabis manufacturer, requests approval whereby

and no derogatory information



was found. The entity commenced operations on October 26, 2023, but has informed the Commission that this proposed ownership transfer of majority interest will not be effectuated until two years after the commencement of operations, in accordance with N.J.A.C. 17:30-9.3(a).

Leafy D'Lites LLC (Class 5 Cannabis Retailer)

Leafy D'Lites LLC, a cannabis retailer, requests approval whereby [REDACTED]

[REDACTED] and no derogatory information was found.

Shipwreck'd, LLC (Class 5 Cannabis Retailer)

Shipwreck'd, LLC, a cannabis retailer, requests approval whereby [REDACTED]

[REDACTED] Entity Disclosure Forms and Personal History Disclosure Forms were submitted by the new proposed owners and no derogatory information was found.

Theory Wellness of NJ (Expanded ATC retailer)

Theory Wellness of NJ, an Expanded ATC retailer, requests approval whereby [REDACTED]

[REDACTED] and no derogatory information was found.

RECOMMENDATION: The Office of Compliance and Investigations recommends approval for the six applications to amend the licenses or permits set forth above and authorize the ownership structure changes as presented by their representatives. All owners and officers that will hold



positions after approval of the changes have been vetted as required by the statutes and regulations and have been deemed qualified to hold their positions in the adult-use and/or medical cannabis markets.

APPENDIX

N.J.A.C. 17:30A-7.5 Permit issuance; nontransferability of permit

- (a) Upon approval of the application for an ATC permit and payment of the required fee, the permitting authority may conduct an onsite assessment of the alternative treatment center to determine if the facility adheres to the Act and this chapter.
- (b) An ATC permit is not assignable or transferable without Commission approval, and it shall be immediately null and void if the alternative treatment center ceases to operate, if the alternative treatment center's ownership changes or if the alternative treatment center relocates.
- (c) This chapter does not prohibit a political subdivision of this State from limiting the number of alternative treatment centers that may operate in the political subdivision or from enacting reasonable local ordinances applicable to alternative treatment centers.

N.J.A.C. 17:30A-7.10 Fees

- (a) The following fees apply:
 - 1. The annual fee for the review of a permit renewal application for an alternative treatment center is \$ 20,000;
 - 2. The fee to apply for a change of location of the alternative treatment center is \$10,000;
 - 3. The fee to apply for a change of capacity or any physical modification or addition to the facility is \$ 2,000; and
 - 4. The fee to apply for the transfer of ownership of a permit is \$ 20,000.

17:30-9.3 Transfers of ownership interest

(a) From the submission of a conditional license conversion application or an annual license application to at least two years after the cannabis business commences operations, a license holder holding an annual license shall not make any change to more than 50 percent of its ownership interest, except that a transfer of the ownership interest license applicant or license holder from a deceased owner to the deceased:

1. Owner's heir shall not be prohibited;

2. Owner's surviving spouse, domestic partner, or civil union partner, if the license was issued jointly to both the parties, shall not be prohibited.

(b) From the submission of the conditional license conversion application or an annual license application to at least two years after the cannabis business commences operations, a license holder may add new loans from new or existing financial sources or gifts.

(c) Until at least two years after the cannabis business commences operations, a diversely owned business license holder shall maintain all conditions required to qualify as eligible for its diversely owned business certification.

(d) Until at least two years after the cannabis business commences operations, a social equity business license holder shall maintain the conditions required to qualify for its social equity business status

(e) A license holder operating as a microbusiness shall not transfer ownership interest such that the license holder no longer qualifies as a microbusiness.

(f) If the cannabis business ceases operations during the two-year period after the cannabis business commences operations, the license holder may not transfer the license to another entity; the license will be considered to be abandoned and will be returned to the Commission.

(g) A cannabis business license holder shall not provide, transfer, or sell, or offer to provide, transfer, or sell any ownership interest to or employ or offer to employ any Commission member or employee restricted from such transactions by the provisions of sections 33 through 35 of P.L. 2019, c. 153 (N.J.A.C. 24:6I-26 through 28).

(h) The Commission retains discretion to determine when a transfer of ownership interests has occurred.

17:30-7.17 Cannabis business and testing laboratory fees

(j) The following material change fees shall be paid by license holders, as applicable:

1. The fee to apply for a change of location of a cannabis business premises is:

i. Standard cannabis business annual license holder: \$10,000; or

- ii. Microbusiness license holder: \$1,000;
- 2. The fee to apply for a change or modification of the cannabis business' capacity or physical plant is \$2,000;
 - i. This fee shall not apply to a microbusiness converting to a standard cannabis business pursuant to N.J.A.C. 17:30-7.15; and
- 3. The fee to apply for the transfer of more than 50 percent of ownership interest in a license holder is \$20,000.
 - i. Any financial source, management services contractor, owner, or principal may be required to pay background investigation fees as part of an ownership interest transfer