



State of New Jersey
CANNABIS REGULATORY COMMISSION

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October 15, 2021

VIA ELECTRONIC MAIL to Jeff@GardenStateFlora.com
Jeffrey Ausfeld, Chief Executive Officer
Garden State Flora
24 Bailey Road
Millburn, New Jersey 07041

Re: **FINAL AGENCY DECISION**
Disqualification of Application for a Permit to Operate an Alternative Treatment Center ("ATC") Pursuant to the 2019 Request for Applications ("RFA") Process for Failure to Adhere to Eligibility Criteria

Dear Mr. Ausfeld:

The New Jersey Cannabis Regulatory Commission ("CRC") has received and reviewed your application for a vertically integrated permit, submitted on August 22, 2019, to operate an Alternative Treatment Center ("ATC") pursuant to N.J.S.A. 24:6I-1 *et seq.* For the reasons stated below, the CRC has disqualified your application for a vertically integrated permit.

By way of background, on July 1, 2019, the Department of Health ("Department") posted a Request for Applications ("RFA") to operate up to twenty-four ATCs, with the opportunity to open eight such centers in the Northern and Central regions of the State, and up to seven in the Southern region of the State, with the option to issue approval for one "at-large" ATC, the region where it would be sited to be determined at the time of award. The RFA sought to award permits for up to fifteen dispensaries, five cultivation sites, and four Vertically Integrated ATCs (granting the ability to dispense, cultivate, and manufacture cannabis products). On August 2, 2019, the RFA was updated to clarify provisions related to the application fees required for vertically integrated permit applicants.

The RFA stated specifically, in "Section III. Eligibility," that "Entities and individuals may seek up to three total permit endorsements as part of this RFA. Applicants may only apply for one cultivation endorsement and may only submit one application per region. A separate application is required for each endorsement, however, an applicant for a vertically integrated permit may submit one application because all endorsements will be located within the same region." Further, the 2019 RFA established that "applicants cannot submit for both vertically integrated permits and individual endorsements." (emphasis added) See 2019 RFA at Section III. Eligibility, page 4.

Applications for vertically integrated permits were due to the Department no later than August 22, 2019, at 3:00 PM. Applicants had the choice of whether to submit the application online and only submit signed coversheets and checks in person, or to submit the whole application in hard copy/paper form.

The Department received a total of 198 applications, including 40 applications for cultivation permits, 109 applications for dispensary permits, and 49 applications for vertically integrated permits. An initial completeness review of all 198 applications was conducted by the Department. Of the 198 applications, 2 were submitted as incomplete applications.

During review by the CRC, the following applications submitted were found to be duplicates submitted by the same applicants:

Applicant Name: Garden State Flora
Applicant Control Number: 19-0034
Region: Central (Vertically Integrated)

Applicant Name: GSF PTE Inc
Applicant Control Number: 19-0162
Region: Central (Cultivation)

These applications are DISQUALIFIED due to the applicants' failure to meet the standards of eligibility outlined in the 2019 RFA. As stated above, only one application was permitted to be submitted for each region by an entity or individual and applicants could not submit for both vertically integrated permits and individual endorsements. "Section IX. Rejection of Applications" further established that applicants who are not eligible to apply, and any applicant that submits more applications than they are eligible to submit, may have all applications rejected. Pursuant to the 2019 RFA, Garden State Flora and its owners, principals, and partners, as a vertically integrated permit applicant in the Central region, were ineligible to submit an additional application for a cultivation endorsement in the Central region.

The owners, principals, and partners of Garden State Flora are listed in the vertically integrated permit application as: Jeffrey Ausfeld, Elizabeth O'Byrne, Jason Byers, Jonathan Abrams, Karen Rosenzweig, Lucy O'Byrne, and Naomi Smukler. The same owners, principals, and partners of Garden State Flora are listed in the GSF PTE Inc. cultivation endorsement application: Jeffrey Ausfeld, Elizabeth O'Byrne, Jason Byers, Jonathan Abrams, Karen Rosenzweig, Lucy O'Byrne, and Naomi Smukler.

Accordingly, the listed application was not released to the selection committee for review and has been disqualified for failing to adhere to the 2019 RFA eligibility requirements. As stated in the RFA, failure to comply with the mandatory requirements for the application would result in disqualification from the selection process.

You have the right to appeal this decision to the Superior Court of New Jersey, Appellate Division, within 45 days of the date of this letter in accordance with the Rules Governing the Courts of the State of New

Jersey. All appeals should be directed to:

Superior Court of New Jersey
Appellate Division
Attn: Court Clerk
P.O. Box 006
Trenton, New Jersey 08625

Any applicant with questions regarding the 2019 RFA process and methodology, and any unsuccessful applicant that wishes to file a grievance with the Commission, may do so by submitting their question or grievance in writing to crc.licensing@crc.nj.gov by 5:00 p.m. Eastern Time on October 19, 2021. Multiple questions/grievances can be submitted together but must be numbered. Responses to submissions deemed relevant to the 2019 RFA process and methodology will be provided within 30 days – by 5:00 p.m. Eastern Time on November 18, 2021. The question and grievance period should only be used for the purpose of addressing questions and complaints related to the 2019 RFA process and methodology. All other questions should be submitted through the Commission website and will be answered in the regular course of business.

Pursuant to N.J.A.C.8:64-6.5 (now N.J.A.C. 17:30A-6.5) and the terms of the RFA, your checks amounting to a total of \$54,000 will be destroyed. Thank you for your interest in operating an ATC.

Sincerely,



Jeff Brown
Executive Director
New Jersey Cannabis Regulatory Commission