



**State of New Jersey**  
**CANNABIS REGULATORY COMMISSION**  
P.O. BOX 216  
TRENTON, N.J. 08625-0216

PHILLIP D. MURPHY  
*Governor*

SHEILA Y. OLIVER  
*Lt. Governor*

DIANNA HOUEYOU, *Chair*  
SAMUEL DELGADO, *Vice Chair*  
KRISTA NASH, *Commissioner*  
MARIA DEL CID-KOSSO, *Commissioner*  
CHARLES BARKER, *Commissioner*  
JEFF BROWN, *Executive Director*

**RESOLUTION 2021-12**  
**APPROVING THE TRANSFER OF 100 PERCENT OWNERSHIP INTEREST IN GSD NJ, LLC, d/b/a GARDEN STATE DISPENSARY, TO AYR WELLNESS, INC.**

**WHEREAS**, 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; and

**WHEREAS**, pursuant to N.J.A.C. 8:64-7.5(b), an Alternative Treatment Center ("ATC") permit is not assignable or transferable without Commission approval, and it shall be immediately null and void if the ATC ceases to operate, if the ATC's ownership changes, or if the ATC relocates; and

**WHEREAS**, the authority to regulate and enforce activities related to medical cannabis previously was vested in the New Jersey Department of Health and now vests in the Commission pursuant to P.L.2019, c.153; and

**WHEREAS**, GSD NJ, LLC ("GSD NJ") is an Alternative Treatment Center that was issued a permit by the Department of Health in accordance with N.J.A.C. 8:64-1.1 et seq. and N.J.S.A. 24:6I-1 et seq.; and

**WHEREAS**, GSD NJ, is currently owned by Elk Spring Partners, LLC ("Elk Spring"), Strategic Healthcare Initiatives, LLC ("Strategic Healthcare"), and James J. Elek; and

**WHEREAS**, pursuant to N.J.A.C. 8:64-7.10, the fee to apply for the transfer of ownership for an ATC is \$20,000; and

**WHEREAS**, GSD NJ has submitted a complete application or request to transfer 100 percent ownership interest in GSD NJ from Strategic Healthcare, Elk Spring, and James J. Elek to Ayr Wellness, Inc. ("Ayr") through CSAC Acquisition NJ Corp. ("CSAC Acquisition"), an indirect, wholly owned subsidiary of Ayr; and

**WHEREAS**, Commission staff has completed a thorough investigation of Ayr and CSAC Acquisition and their management structure and personnel; and

**WHEREAS**, Commission staff reviewed the proposed transaction between GSD NJ, CSAC Acquisition, and Ayr, as well as associated documents and materials, for compliance with the provisions of N.J.A.C. 8:64-1.1 et seq. and N.J.S.A. 24:6I-1 et seq.; and

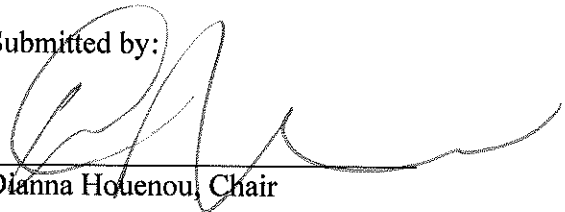
**WHEREAS**, under the proposed transaction, CSAC Acquisition would become the owner of GSD NJ, but GSD NJ would continue to hold the ATC permit and all assets; and

**WHEREAS**, Commission staff's suitability investigation uncovered only one adverse piece of information pertaining to Ayr and its affiliates, which involved a \$295,000 fine paid to the Massachusetts Cannabis Control Commission for improper use of an unlicensed entity and was swiftly rectified to the satisfaction of the Massachusetts Cannabis Control Commission; and

**WHEREAS**, Commission staff found no evidence that would preclude this proposed ownership transfer;

**NOW, THEREFORE, BE IT RESOLVED**, by the New Jersey Cannabis Regulatory Commission, that the application to transfer 100 percent ownership interest in GSD NJ from Strategic Healthcare, Elk Spring, and James J. Elek to Ayr, through CSAC Acquisition, is hereby approved.

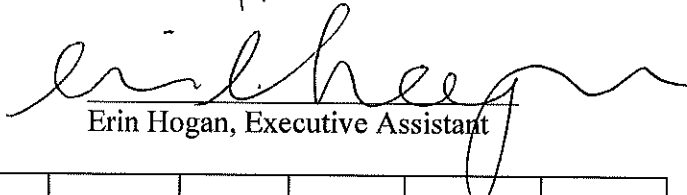
Submitted by:



Dianna Houenou, Chair

**CERTIFICATION**

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Cannabis Regulatory Commission at its meeting held on the 14 day of September, 2021.



Erin Hogan, Executive Assistant

Vote on the Approval of This Resolution	Motion	Second	Yes	No	Abstain	Absent
Commissioner Barker				X		
Commissioner Del Cid-Kosso		X	X			
Commissioner Delgado	X		X			
Chairwoman Houenou			X			
Commissioner Nash			X			