



State of New Jersey
CANNABIS REGULATORY COMMISSION

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April 12, 2022

Robert Daino
Acreage CCF New Jersey, LLC
100 Century Drive,
Egg Harbor Township, NJ 08234

Re: **FINAL AGENCY DECISION**
Acceptance of Alternative Treatment Center ("ATC") Certification
Authorization To Operate in Adult Personal-Use Market

Dear Mr. Daino:

Congratulations! The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has received and reviewed your request and certifications to operate as an Expanded Alternative Treatment Center. Following thorough review by the NJ-CRC, your certifications have been accepted and the above-listed entity will be permitted to engage in adult personal-use cannabis activities in the State of New Jersey under the following licenses and at the following locations:

1. Class 1 Cultivator; 100 Century Drive, Egg Harbor Township, NJ
2. Class 2 Manufacturer; 100 Century Drive, Egg Harbor Township, NJ
3. Class 5 Retailer; 100 Century Drive, Egg Harbor Township, NJ
4. Class 5 Retailer; 2090 Blackhorse Pike, Williamstown, NJ

Pursuant to N.J.S.A. 24:6I-46a(3)(a), the NJ-CRC shall not require a full application from an ATC for the ATC to begin engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, but shall require the ATC to submit certain certifications to the Commission. N.J.A.C. 17:30-7.1 details the necessary documentation, information, and certifications required for the Commission to review and accept prior to an ATC operating in the adult personal-use market.

Following receipt of the documentation, information, and certifications set forth at N.J.A.C. 17:30-7.1(b)(1) through (7), the NJ-CRC assesses the following pursuant to N.J.A.C. 17:30-7.1(c)(1) through (8):

1. Total qualifying patient enrollment in the Statewide medical cannabis program;
2. Qualifying patient enrollment at the ATC;

3. Statewide inventory of medicinal cannabis items and inventory of the ATC;
4. Statewide sales of medicinal cannabis and medicinal cannabis products, and sales at the ATC;
5. The current medicinal cannabis canopy of the ATC;
6. The total medicinal cannabis canopy needed to serve the ATC's qualifying patients on an ongoing basis;
7. The total medicinal cannabis canopy needed to serve the total number of qualifying patients in the medicinal cannabis program on an ongoing basis; and
8. The operational plans and capacity of the ATC to maintain or expand medicinal cannabis access for qualifying patients.

As required by regulation, the NJ-CRC shall only accept a certification from an ATC pursuant to N.J.A.C. 17:30-7.1(c) when an ATC has proven, by clear and convincing evidence, that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, shall not adversely impact access for registered qualifying medicinal cannabis patients and shall not adversely impact the availability of medicinal cannabis or medicinal cannabis products.

This letter serves as written notice that the above-listed ATC has submitted complete and accurate and verifiable information and has paid the requisite expanded ATC certification fee, and the NJ-CRC has approved the ATC to operate as an expanded ATC. **Failure to satisfy the 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.**

Plans for Patient Access

The expanded ATC must satisfy the following conditions:

- Have business operating hours include at least 14 patient-only hours spread over at least three (3) days per week, and 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;
- Provide exclusive points-of-sale for patients and designated caregivers at all times;
- Provide express access to the ATC so that patients and designated caregivers do not have to wait in lines intended for the general public;
- 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 each ATC wishing to expand to recreational sales initiate the following options for patients:

- Exclusive home delivery for patients; and
- Online ordering and exclusive express curbside pick-up for patients.

Plans for Ensuring Adequate Medicinal Cannabis Inventory

The 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 by patients in the preceding three (3) months at the ATC. To fulfill the minimum adequate supply, the ATC shall only consider packaged products. The “Minimum Adequate Supply” should be adjusted up to account for new patient enrollment, should the ATC experience and increase in the number of patients enrolled at the ATC month over month.

$$\text{Minimum Adequate Supply} = [(\text{current patients enrolled at the ATC}) / (\text{patients enrolled at the ATC 3 months prior})] \times (\text{Average Purchases over the preceding three (3) months at the ATC})$$

A “Reasonable Minimum Reserve” shall be a three-month reserve calculated by determining the average purchases 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.

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

Plans for Social Equity

The ATC must satisfy the following conditions:

- 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 monthly progress reports that include specifics on the good faith efforts being made to ensure the ATC’s social equity plans as presented in the ATC’s certifications to the NJ-CRC is being achieved. The Commission may request additional information from the ATC to help it determine if efforts are being made in good faith.

Labor Peace/Collective Bargaining

If a majority of the ATC's employees express interest in a particular bona fide labor organization, the ATC is obligated to pursue a labor peace agreement with that bona fide labor organization, as defined under N.J.S.A. 24:6I-1 through 56. The ATC shall make a good faith effort to negotiate and execute a labor peace agreement. Labor peace agreements provide the NJ-CRC with the assurance that should an applicant 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 ATC's employees support joining a particular bona fide labor organization, then the 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 ATC to abide by its executed labor peace and collective bargaining agreements may result in adverse action against the ATC, including possible suspension or revocation of an ATC's license.

Laboratory Testing

Until licensed testing laboratories are available, the ATC is required to utilize a third-party laboratory under the NJ-CRC's interim testing standards until such time as they can access a NJ-CRC-licensed testing laboratory.

Accountability

Adequate inventory and access for medicinal patients is an on-going requirement for licensure as an Expanded Alternative Treatment Center. See N.J.A.C. 17:30-7.1(d). Compliance with the ATC's social equity plans, labor requirements, and labor agreements are also an on-going condition for licensure. Failure to satisfy the inventory, patient access, social equity plans, and labor requirements as outlined above may subject the ATC to fines not to exceed \$10,000.00 per day, in addition to suspension of the ATC's license(s). The NJ-CRC is authorized to take these enforcement actions pursuant to N.J.A.C. 17:30-17.5.

Additionally, the ATC must cooperate with the NJ-CRC by providing weekly reports on medicinal product availability and inventory levels, along with patient access reports. Pursuant to N.J.A.C. 17:30-9.4(e), which provides that "[a] license holder shall make a good faith effort to recruit and employ persons who would otherwise qualify for the provisions at N.J.A.C. 17:30-6.6(a)(1) or (2)," the ATC is also required to submit monthly progress reports concerning its social equity plans.

The ATC must submit payment for ATC expansion into the adult use market. In accordance with N.J.A.C. 17:30-7.17, payment in the amount of \$900,000 is due and owed before an ATC can engage in any activities associated with the adult-use cannabis market. To pay the fee, please click on the following link: [Annual Permit Fee](#). Once there, fill in the required information and choose "Other" for Application Type Information. In the description, type in Expansion Fee and then choose the Electronic Check Payment option.

After the ATC has completed any necessary construction or preparation of an expanded ATC and satisfies

the required terms and conditions set forth above, the expanded ATC shall request an onsite inspection from the NJ-CRC. The NJ-CRC will conduct an onsite assessment of the expanded ATC and determine whether its premises, operations, and procedures are consistent with the expanded ATC's certification materials and are compliant with the law and regulation. **The expanded ATC shall not operate in the adult personal-use market until the NJ-CRC has completed its onsite assessment and determined that the expanded ATC is in compliance with the law and terms and conditions set forth above.**

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,

A handwritten signature in black ink, appearing to be 'DH' with a long horizontal line extending to the right.

Dianna Houenou
Chairperson
New Jersey Cannabis Regulatory Commission