



## MEMORANDUM

**TO:** Cannabis Regulatory Commission Board  
**FROM:** Jeff Brown, Executive Director  
**SUBJECT:** Cover Memo: Recommendation to Consider Cannabis Business License Awards  
**DATE:** FEBRUARY 15, 2024

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### OVERVIEW

On August 19, 2021, the Cannabis Regulatory Commission (herein referenced as “Commission” or “CRC”) adopted rules pursuant to P.L. 2021, C.16 which established the licensure process for cannabis businesses and testing laboratories. N.J.A.C. 17:30-6 through 7 outlines the application process and requirements for both conditional license applicants and annual license applicants. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses, and Impact Zone Businesses.

The attached memo from CRC staff outlines the process and recommendations concerning 12 applications for conditional licenses, 20 applications for conditional conversion licenses, and 4 applications for annual licenses. These applications have been reviewed, scored, and are recommended for approval by the CRC Staff.

### RECOMMENDATION

Having reviewed the attached memo and recommended applications, I concur with CRC staff’s recommendations to approve license awards for the list applications and hereby recommend these applications for approval by the CRC Board of Commissioners. These applications have been reviewed, scored, and are now recommended for approval in accordance with the CRC’s authorizing statutes and regulations and therefore should be approved.



# RECOMMENDATION REPORT

<b>MEETING DATE:</b> 2/15/2024	<b>TOTAL REC. #:</b> 36	<b>REPORT DATE:</b> 1/26/2024
<b>TO:</b>	Deputy Executive Director, Kelly Anderson-Thomas	
<b>THROUGH:</b>	Chief Counsel, Christopher Riggs	
<b>FROM:</b>	Director of Licensing, Megan Tagliaferri	
	Director of Compliance and Investigations, Paul Urbish	

## ***BACKGROUND***

On August 19, 2021, the Cannabis Regulatory Commission (herein referenced as “Commission” or “CRC”) adopted rules pursuant to P.L. 2021, C.16 which established the licensure process for cannabis businesses and testing laboratories. N.J.A.C. 17:30-6 through 7 outlines the application process and requirements for both conditional license applicants and annual license applicants. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses, and Impact Zone Businesses.

This memo outlines the process and recommendations concerning 12 applications for conditional licenses, 20 applications for conditional conversion licenses, and 4 applications for annual licenses that have been reviewed, scored, and are recommended for approval by the CRC Staff. The business type breakdown for each application type is as follows:

Conditionals: 12

- Cultivator 2
- Manufacturer 1
- Wholesaler 1
- Distributor 1
- Retailer 6
- Delivery 1

Conversions: 20

- Cultivator 3
- Manufacturer 6
- Retailer 11



Annuals:	4
Cultivator	0
Manufacturer	0
Retailer	4

The governing regulations at N.J.A.C. 17:30-6.1(d) provide that the Commission shall review, score, and approve conditional and annual cannabis business license applications and issue licenses to applicants that receive a full score or greater, and shall have the full authority to establish the priority by which conditional and annual cannabis business license applications and applicants are reviewed, scored, approved, and issued, such that: 1. Social equity businesses, diversely owned businesses, and impact zone businesses always have priority over other license applicants; 2. Conditional license applicants always have priority over annual license applicants; 3. Microbusinesses license applicants always have priority over standard cannabis business license applicants; 4. License applicants given bonus points pursuant to N.J.S.A. 24:6I-36.d(2) have priority over license applicants with no bonus points; and 5. The priority of the review, scoring, and approval of license applications and issuance of licenses is consistent with meeting the market demands of the state, the Act and this chapter.

### ***REVIEW PROCESS OVERVIEW***

To review license applications, the CRC has developed an application review process that aligns with the authorizing statutes, the CRC’s regulations, and the Notice of Application Acceptance. The process includes the following steps:

1. **Priority Assignment** – Applications are assigned to their relevant priority level based on responses to questions on the application. This assignment occurs for all applicants after they submit their applications into the licensing system.
2. **Priority Verification** – Once assigned a priority, the applications are then reviewed to ensure the applicant has submitted the proper documentation to support their priority assignment. If they have submitted the documentation, they remain in queue to be reviewed. This includes a review of any materials submitted to qualify as a Social Equity Business, a Diversely-Owned Business or an Impact Zone Business. If they have not submitted proof to back up their priority designation, the application is marked for rejection and curing.
3. **Completeness Review** – Applications are reviewed for completeness to ensure everything required by the Notice is included in the application. If an application is deemed incomplete, it is marked for rejection and curing.
4. **Scoring** – Applications that have been deemed complete are then scored in accordance with the rubric in the Notice. For conditional license applications, this includes an evaluation of their Business Plan and Management Profile, their Regulatory Compliance Plan, and their Plan to Obtain Liability Insurance. Conditional conversion and annual license applicants need to show they have municipal approval, site control, and have submitted all the required standard operating procedures and other application materials required by the Notice of Application Acceptance and CRC Regulations. Applications receive full points if they pass a measure, and no points if they fail. If an application fails in scoring, it is marked for rejection and curing.
5. **Qualification, Limitations, Financial/Management Agreement Review** – Following scoring, applications that have passed all mandatory measures are then reviewed to ensure they are compliant with:



- a. N.J.A.C. 17:30-6.8 (Limitations on license holders, owners, principals, pass investors, financial sources, management services contractors and vendor-contractors);
  - b. N.J.A.C. 17:30-6.9 (Management services agreements);
  - c. N.J.A.C. 17:30-6.10 (Financial source agreements); and
  - d. N.J.A.C. 17:30-7.4 (Conditional license holder qualification).
6. Qualification Review – License-applicants for conditional conversion and annual applications are then reviewed for Qualification pursuant to N.J.A.C. 17:30-7.11. To be approved, they also must be cleared by the CRC’s Office of Compliance and Investigations and deemed qualified to hold a license. This includes a criminal history background check (N.J.A.C. 17:30-7.12) and probity review (N.J.A.C. 17:30-7.13).
  7. Quality Control – Any application that is deemed eligible for approval following a qualification review, is then given a quality control review to ensure that the determination is accurate.
  8. Recommendation to the CRC Board – Applications that pass a quality control check are then recommended for approval to the board.

### ***RECOMMENDATION AND JUSTIFICATION***

It is recommended that the Conditional, Conversion, and Annual applications listed below be presented to the Board of Commissioners for the New Jersey Cannabis Regulatory Commission for award in the designated license class. The below-listed applicants have satisfied the terms of the Notice of Application Acceptance most-recently modified by the Board of Commissioners pursuant to Resolution 2023-137. Each of the below-listed applicants have earned the requisite full scores (or greater) to be awarded a license in their designated application type and license class.

Each of the below-listed applicants have been deemed compliant pursuant to the applicable regulations codified at N.J.A.C. 17:30-6 and 7. The rules also include the eligibility requirements and limitations for Social Equity Businesses, Diversely-Owned Businesses (DOB), and Impact Zone Businesses. A breakdown of those recommended awards follows in the next section.



***PRIORITY BREAKDOWN***

Conditionals:	12	
Social Equity Business		7
Diversely Owned Businesses		3 (2MBE, 1MWBE)
Impact Zone Businesses		2
Conversions:	20	
Social Equity Businesses		4
Diversely Owned Businesses		15 (1DVOB/MBE, 1LBE/MWBE, 5MBE, 2MWBE, 6WBE)
Impact Zone Businesses		0
Annuals:	4	
Social Equity Businesses		0
Diversely Owned Businesses		3 (3WBE)
Impact Zone Businesses		0

**Note: Disabled Veteran-Owned (“DVOB”), Lesbian, Gay, Bisexual, Transgender, Queer, Questioning+ Owned Business Enterprise (“LBE”), Minority Business Enterprise (“MBE”), Minority and Woman-Business Enterprise (“MWBE”), Women Business Enterprise (“WBE”)**



***LIST: Conditionals***

<b>App ID</b>	<b>Applicant Business Name</b>	<b>Application Type</b>	<b>Priority</b>	<b>DOB Category</b>	<b>Business Type</b>	<b>Business Category</b>
5503	Garden St. Gas LLC	Conditional	1A		Cultivator	Microbusiness
5709	Green Acres Dispensary LLC	Conditional	1A		Retailer	Microbusiness
6403	Green Paradise Therapy, LLC	Conditional	1A		Retailer	Microbusiness
4919	Simply Pure Trenton NJ Inc	Conditional	1B		Cultivator	Standard
6537	TerpTaxi LLC	Conditional	1B		Delivery	Standard
5533	YCE Wholesale & Logistics	Conditional	1B		Distributor	Standard
5532	YCE Wholesale & Logistics	Conditional	1B		Wholesaler	Standard
5887	Atlantic City Cannabis	Conditional	2A	MWBE	Retailer	Microbusiness
3288	Epitome7 LLC	Conditional	2A	MBE	Retailer	Microbusiness
5791	Mudd Brothers Cannabis Company	Conditional	2B	MBE	Manufacturer	Standard
1382	Gas on the Go Vending	Conditional	3A		Retailer	Microbusiness
3957	Emerald Apothecary, LLC	Conditional	3B		Retailer	Standard



***Conversions:***

<b>Conversion App ID</b>	<b>Applicant Business Name</b>	<b>Application Type</b>	<b>Conditional App ID</b>	<b>Priority</b>	<b>DOB Category</b>	<b>Business Type</b>	<b>Business Category</b>
3784	Shnicks Snacks	Conversion	1248	1C		Cultivator	Microbusiness
3335	Prolific Growhouse	Conversion	2465	1C		Manufacturer	Microbusiness
3785	Shnicks Snacks	Conversion	1250	1C		Manufacturer	Microbusiness
3432	Topless Pre Rolls LLC	Conversion	2876	1C		Manufacturer	Standard
3033	420 Organics LLC	Conversion	2232	2C	WBE	Cultivator	Microbusiness
4398	Aeterna LLC	Conversion	1175	2C	MBE	Cultivator	Standard
3019	Green Alchemy LLC	Conversion	1289	2C	WBE	Manufacturer	Microbusiness
3243	ABCO Garden State LLC	Conversion	1349	2C	WBE	Manufacturer	Standard
2718	Jersey Extraction Lab LLC	Conversion	1245	2C	WBE	Manufacturer	Standard
3684	Canopy Crossroad, LLC	Conversion	1406	2C	WBE	Retailer	Microbusiness
4291	Lady L Cannabis LLC	Conversion	1462	2C	WBE	Retailer	Microbusiness
4027	Social Dispensary	Conversion	2026	2C	MBE	Retailer	Microbusiness
3608	Citi Roots LLC	Conversion	2786	2C	DVOB/MBE	Retailer	Standard
4385	Dogwood Green LLC	Conversion	1812	2C	LBE/MWBE	Retailer	Standard
3006	Hound Town 543	Conversion	1976	2C	MBE	Retailer	Standard
2774	HudHaus LLC	Conversion	1504	2C	MBE	Retailer	Standard
4020	Nimbus Holdings LLC	Conversion	1786	2C	MWBE	Retailer	Standard
3200	ReLeaf Cannabis LLC	Conversion	1418	2C	MBE	Retailer	Standard
3038	Vigor Dispensary LLC	Conversion	1428	2C	MWBE	Retailer	Standard
3621	Scarlet Reserve Room RB	Conversion	1434	5C		Retailer	Standard

***Please note that the following have submitted the proper documentation to reflect a name change from their conditional submission:***

Green House Apothecary – formerly known as HudHaus LLC



*Annuals:*

<b>App ID</b>	<b>Applicant Business Name</b>	<b>Application Type</b>	<b>Priority</b>	<b>DOB Category</b>	<b>Business Type</b>	<b>Business Category</b>
3592	Kine Buds Monroe LLC	Annual	2E	WBE	Retailer	Standard
4773	KushKlub NJ LLC	Annual	2E	MBE	Retailer	Standard
4741	Lenola Wellness LLC	Annual	2E	WBE	Retailer	Standard
3825	Kine Buds Maywood LLC	Annual	4E		Retailer	Standard





**REVIEW AND QUALITY CONTROL CONFIRMATION**

The licensing review and investigative process for each of these applications was completed, as required, in the Office of Licensing and the Office of Compliance and Investigations. Quality control review was completed by Counsel’s Office on January 16, 2024.

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Chief Counsel Christopher Riggs

**RECOMMENDATION SUMMARY**

The 12 conditional, 20 conversion, and 4 annual applications listed above have been deemed compliant with their priority designation, deemed complete, and scored for potential approval. They have also been reviewed for license-holder qualification provisions, for license-holder limitations, and any proposed financial source or management services agreements have received an initial review. All recommended awards have been deemed qualified to hold a conditional or annual license following this review, probity and criminal history background check, if applicable.

CRC staff have determined that these license applications are eligible for approval by the CRC. Therefore, CRC staff recommend the CRC Board approve these applications for licenses.

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Director of Licensing  
Megan Tagliaferri

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Director of Compliance and Investigations  
Paul Urbish

Approved by:

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Deputy Executive Director  
Kelly Anderson-Thomas