



State of New Jersey
CANNABIS REGULATORY COMMISSION

P.O. BOX 216
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JEFF BROWN, *Executive Director*

December 7, 2021

VIA ELECTRONIC MAIL to: jason@bridgecitycollective.com

Jason Kabbes
GSCC Management LLC
22443 Rocky Point Road
Scappoose, Oregon 97056

Re: FINAL AGENCY DECISION
Disqualification of Application for a Permit to Operate an Alternative Treatment Center ("ATC") Pursuant to the 2019 Request for Application ("RFA") Process Due to Acceptance of a Prior Award

Dear Mr. Kabbes:

The New Jersey Cannabis Regulatory Commission ("CRC") has received and reviewed your application for a dispensary permit endorsement in the Southern region, submitted on August 20, 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 applications for dispensary permit endorsements.

During the review period for a dispensary permit endorsement submitted pursuant to the 2019 Request for Applications ("RFA"), the CRC completed its scoring and review and issued awards for cultivation permit endorsements. GSCC Management LLC ("GSCC") accepted a cultivation endorsement award by writing prior on October 22, 2021. Pursuant to the terms of the 2019 RFA, GSCC's acceptance of the cultivation permit endorsement disqualifies GSCC from being awarded any other permit issued under the 2019 RFA.

As provided for in the RFAs, the CRC intended to limit applicants to one permit endorsement through the RFA processes (unless applying for a vertically integrated award, in which case three endorsements are available – one for cultivation, one for manufacturing, and one for dispensing). The reason for limiting awards to one per applicant is to ensure that patient need is being met through a diverse and robust market so that potential failures in supply chains of the industry will not disrupt the entire industry. Specifically, the 2019 RFA, in Section III on Eligibility, establishes:

"... applicants cannot submit for both vertically integrated permits and individual endorsements. Applicants submitting for individual endorsements can submit applications for up to three endorsements, but they can't be in the same region(s). No applicant shall be

awarded more than one permit pursuant to this RFA, and no applicant shall hold more than 1 cultivation endorsement, 1 manufacturing endorsement, and 1 dispensary endorsement because of the awards made pursuant to this RFA.”

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.

Applications for dispensary endorsements were due to the Department no later than August 21, 2019, at 3:00 PM. Applications for cultivation endorsements 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 application submitted was found to be disqualified due to the applicant accepting a cultivation permit endorsement pursuant to the 2019 RFA:

Applicant Name: GSCC Management LLC

Applicant Control Number(s): 19-0059

Region: South

Accordingly, the listed application has been **DISQUALIFIED** pursuant to the terms of the 2019 RFA.

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 cre.licensing@cre.nj.gov by 5:00 p.m. Eastern Time on Wednesday, December 15, 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 by 5:00 p.m. Eastern Time on Friday, January 14, 2022. 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.

Thank you for your interest in operating an ATC.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Brown", is positioned above the typed name.

Jeff Brown
Executive Director
New Jersey Cannabis Regulatory Commission