

MEDICAL POT APPLICANTS WERE REJECTED BECAUSE STATE COULDN'T OPEN THEIR FILE ATTACHMENTS

Joshua Bauchner says NJ DOH wrongly rejected medical marijuana license applications because of its technology limitations; requests stay to permit merit-based review.

By Amanda Hoover | NJ Advance Media For NJ.com



Joshua S. Bauchner



At least a dozen applicants for medical marijuana licenses were rejected due to technical difficulties with their files, and several have banded together to halt the licensing process until their applications are reviewed by the Department of Health.

Joshua Bauchner, a cannabis attorney with Ansell, Grimm & Aaron, said he plans to request a stay on the application process Tuesday. He currently has half a dozen clients who lost out on the selection process because the Health Department could not open all of the PDFs submitted with their applications.

"The DOH just said, 'oh, we can't open it, we're done,'" he said. "We think the better approach would be to say, 'hey there was a technical issue, resubmit.'"

Nearly 200 potential operators filed to open a medical marijuana business in New Jersey during the most recent round of application requests in July and August. The Health Department said it would license as many as 24 applicants (up to eight marijuana businesses in the northern region of the state, eight in the central region of the state and seven in the southern region of the state).

The state required the current six operators and six more pending dispensaries be vertically integrated, meaning they would have to grow, process and dispense the marijuana. But the latest round allowed for as many as 15 dispensaries, five cultivation sites and four vertically integrated sites, marking the biggest expansion of the medical program to date.

Bauchner said he has half a dozen clients, and knows of at least a dozen applicants who were rejected for technical issues, but he predicts two to three times that many were affected.



"It was the worst thing they could've done under these circumstances," he said. "There was ample opportunity for them to say, 'there was a technical issue, we want the best applicants.'"

According to a letter sent to a rejected applicant, the process allowed for online and paper submission. The Health Department moved all complete applications on to the selection committee on Sept. 25, the letter, obtained by NJ Advance Media, said.

It states mandatory documents were not accessible to for review due to "file corruption." While the applications were sent to the committee two months ago, those who lost out just received notice last week.

Jeff Brown, director of the medical marijuana program, said he could not talk specifics about the latest round of applicants, as the selection process is still underway.

But he did say the Health Department last week sent 51 disqualification letters to applicants.

"The disqualifications issued by the Department are for deficiencies related to those mandatory requirements, untimely or incomplete submissions, and non-payment

of application fees," he said in a statement. "The disqualifications are Final Agency Decisions and can be appealed to the Superior Court, Appellate Division."

Bauchner said he hopes the Health Department will allow the rejected applicants to resubmit their materials, a process that would be less cumbersome and time-consuming than appealing the decision.

He would know, as Bauchner represents clients passed over during the 2018 request for applications.

"It was a mess," he told *NJ Cannabis Insider* of the appeals process earlier this year. "There was no transparency. You look at who got the licenses, and there are so many question marks raised."

Those are still wrapped up in the appeals process, and he expects arguments to be scheduled in the spring of 2020.