



State of New Jersey
CANNABIS REGULATORY COMMISSION

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April 9, 2024

VIA CERTIFIED AND ELECTRONIC MAIL to: Matt.Lewis@curaleaf.com

Matt Lewis, Sr. Manager, Compliance
Curaleaf NJ II, Inc.
640 Creek Road
Bellmawr, New Jersey 08031

Re: **NOTICE OF VIOLATION – CURALEAF NJ II, INC.; INV 76 24**

Dear Mr. Lewis,

This letter is a Notice of Violation, issued by the New Jersey Cannabis Regulatory Commission ("NJ-CRC") in accordance with N.J.A.C. 17:30-20.4 to Curaleaf NJ II, Inc. ("Curaleaf"). The investigation commenced on March 21, 2024, and remains open and on-going. Curaleaf was found to have committed the following regulatory violations:

1. Violation 1: N.J.A.C. 17:30-9.13 –

(a) Each cannabis business, at a minimum, shall:

1. Utilize the inventory tracking system designated by the Commission pursuant to N.J.A.C. 17:30–3.12.

i. Cannabis businesses shall utilize any plant tags, product identification tags, or stamps designated by the Commission pursuant to N.J.A.C. 17:30–3.6 and 13.4.

ii. Cannabis business shall be responsible for any fees associated with plant tags, product identification tags, or stamps designated by the Commission;

2. Conduct an initial comprehensive inventory of all cannabis in the possession of the cannabis business, including cannabis available for cultivation or manufacturing, finished usable cannabis available for sale, immature and mature cannabis plants, unusable cannabis, and each type of cannabis product at the authorized cannabis business premises on the date the cannabis business first engages in the cultivation, manufacturing, wholesaling, or sale of cannabis.

- i. An inventory shall include damaged, defective, expired, or adulterated cannabis awaiting disposal, including the name, the quantity, and the reasons for which the cannabis business is maintaining the cannabis.
 - ii. The initial comprehensive inventory shall be reported to the Commission utilizing the inventory tracking system;
3. Establish inventory controls and procedures for the conduct of inventory reviews and comprehensive inventories of cultivating cannabis, and stored usable and unusable cannabis;
4. Update product inventories on at least a daily basis;
5. Conduct a monthly inventory audit of cultivating cannabis, and stored usable and unusable cannabis;
6. Conduct a comprehensive annual inventory audit at least once every year from the date of the previous comprehensive inventory; and
7. Promptly transcribe inventories.

2. Violation 2: N.J.A.C. 17:30-9.7 --

(a) A cannabis business shall maintain a system of recordkeeping that will permit the identification for purposes of recall of any batch of cannabis or lot of cannabis products from consumers when such cannabis items are found to be unsafe for use.

1. As part of this system, the cannabis business shall ensure that the container that contains the cannabis item at any stage in the process of cultivation, manufacturing, and sales bears an identifying name and number, and that the final packaged cannabis item contains all labeling information required pursuant to N.J.A.C. 17:30-16.3, to make it possible to determine the complete manufacturing history of the packaged cannabis item.

Within 20 business days of the receipt of the Notice of Violation, Curaleaf shall (1) Correct the violations; (2) Notify the Commission, in writing, with a postmark date that is within 20 business days of the date of receipt of the Notice of Violation, of any corrective actions taken to correct the violations, and the date of implementation of such corrective actions.

This Notice of Violation satisfies the NJ-CRC's responsibility to provide five-day notice before any enforcement action shall be taken, as required by N.J.A.C. 17:30-20.5. Curaleaf is notified (1) this investigation is on-going, and this Notice of Violation may be updated or amended as additional information is uncovered, and (2) that the above-referenced violation may result in the imposition of civil monetary penalties in accordance with the schedule set forth at N.J.A.C. 17:30-20.7.

N.J.A.C. 17:30-20.5(a) establishes that: "In response to a violation of any provision of the Act or this

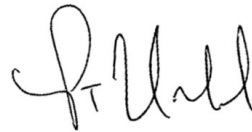
chapter, the Commission is authorized to take enforcement action or impose sanctions upon a license holder. Sanctions may include, but are not limited to, civil monetary penalties; suspension, revocation, non-renewal, or denial of a license; referral to State or local law enforcement, pursuant to N.J.A.C. 17:30-20.6, 20.7, and 20.8; or any combination thereof.” Corrective action taken Curaleaf does not preclude the NJ-CRC from imposing penalties but may be taken into consideration when considering the penalty to be imposed for each violation. N.J.A.C. 17:30-20.6(f)(4).

Curaleaf has acted in violation of the adult use regulations and the purpose and intent of the CREAMM Act by failing to properly record its inventory through the designated METRC seed-to-sale system and Curaleaf’s chosen point-of-sale system.

The NJ-CRC hereby orders Curaleaf to immediately conform its operations for recordkeeping and inventory with the adult use regulations and the Standard Operating Procedures on file with the Commission. The NJ-CRC reserves the right to impose sanctions for this regulatory violation.

The NJ-CRC appreciates your expeditious cooperation in this matter. Any questions regarding this correspondence can be sent via e-mail to your assigned Field Monitor.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Urbish'.

Paul Thomas Urbish, Esq.
Director
Office of Compliance and Investigations
New Jersey Cannabis Regulatory Commission