



**State of New Jersey**  
**CANNABIS REGULATORY COMMISSION**

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April 25, 2024

**VIA CERTIFIED AND ELECTRONIC MAIL to:** [rich@clade9.com](mailto:rich@clade9.com)

Rich Fryling, Vice President  
The QCC Group LLC  
1355 W Front Street  
Plainfield, New Jersey 07063

Re: **NOTICE OF VIOLATION – The QCC Group LLC, INV 90 24**

Dear Mr. Fryling,

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 The QCC Group, LLC “QCC” (License #C000313). The investigation commenced on April 24, 2024, and completed on April 25, 2024, during which time QCC was found to have committed the following regulatory violations:

**1. Violation 1:** N.J. Admin. Code § 17:30-6.8

(k) The majority share of the license applicant's ownership interest, including the ownership interest that qualifies it as a diversely owned business, social equity business, impact zone business, or microbusiness, shall remain the same from the date of submission of a conditional license conversion application or submission of an annual license application until two years after the commencement of cannabis business operations.

**2. Violation 2:** N.J. Admin. Code § 17:30-7.11

(a) A license applicant or license holder is qualified to hold an annual license where: ...

...6. If a diversely owned business, the license applicant or license holder fulfills all of the diversely owned business requirements, pursuant to N.J.A.C. 17:30-6.4;

During an audit investigation of the Department of Treasury’s Division of Enterprise and Revenue Services (“DORES”) registry system, the Office of Licensing uncovered that QCC has failed to maintain its status as a diversely owned business. Specifically, the license issued to QCC on November 22, 2023, was prioritized and reviewed based on QCC’s status as a Minority-Owned Business.

Additionally, it was found that QCC has failed to update its business registration with the Department of Treasury since having submitted a name change application through DORES and the NJ-CRC. This must be rectified immediately.

Within 20 business days of the receipt of the Notice of Violation, QCC 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. QCC is notified that the above-referenced violations may result in the imposition of civil monetary in accordance with the schedule set forth at N.J.A.C. 17:30-20.7, or the potential suspension or revocation of QCC's license.

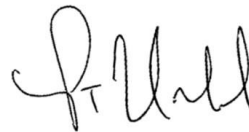
N.J.A.C. 17:30-20.5(a) establishes that: "In response to a violation of any provision of the Act or this chapter, the Commission is authorized to take enforcement action or impose sanctions upon a license holder. Sanctions may include, but are not limited to, civil monetary penalties; suspension, revocation, 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 by QCC 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).

QCC has acted in violation of the adult use regulations and the purpose and intent of the CREAMM Act by failing to maintain its diversely owned business status with the Department of Treasury DORES.

**The NJ-CRC hereby orders QCC to immediately conform its recordkeeping operations and business status with the initial application submitted and the NJ-CRC regulations. The NJ-CRC reserves the right to impose sanctions for these regulatory violations.**

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", is written over a light blue horizontal line.

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