



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

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*Governor*

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TRENTON, N.J. 08625-0216

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*Lt. Governor*

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CHARLES BARKER, *Commissioner*  
CHRIS RIGGS, *Acting Executive Director*

February 25, 2025

David Nicolas  
Prolific GrowHouse LLC



**Re: NOTICE OF ENFORCEMENT ACTION - INITIAL AGENCY  
DECISION REGARDING IMPOSITION OF SANCTIONS AGAINST  
PROLIFIC GROWHOUSE LLC**

Dear David Nicolas:

The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has imposed a civil monetary penalty of \$3,500 for the reasons articulated below.

**NJ-CRC's Issuance of Notice of Violation**

Pursuant to N.J.A.C. 17:30-20.4(a), during an onsite assessment, a review of financial records, or other Commission review of the license holder and its operations, if the Commission identifies a violation of the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, P.L.2021, c. 16, N.J.S.A. 24:6I-31 et seq., (the "Act") or the implementing Personal-Use Cannabis Rules (the "Personal-Use Regulations"), the Commission shall provide notice of the violation, including an official written report of the findings and the nature of the violation, to the cannabis business or testing laboratory within seven business days following the onsite assessment or other identification of the violation.

Pursuant to N.J.A.C. 17:30-16.5, a) The packaging and labeling of cannabis items shall not contain any:

1. Statement, illustration, or image that includes false, deceptive, or misleading statements or promotes over-consumption;
2. **Resemblance to a trademarked, characteristic, or product-specialized packaging of any commercially available candy, snack, baked good, or beverage;**

3. Statement, artwork, or design that could reasonably mislead any person to believe that the cannabis item or package contains anything other than cannabis items;
4. Seal, flag, crest, coat of arms, or other insignia that could reasonably mislead any person to believe that the cannabis items or package have been endorsed, manufactured, or used by any state, county, or municipality, or any agency thereof;
5. Statement, illustration, or image that depicts a child or other person under legal age consuming cannabis items; or
- 6. Statement, illustration, image, cartoon, color scheme, graphic, or feature that might make the cannabis item or package attractive to children.**

**i. Examples of images or graphics that are prohibited include, but are not limited to, toys, games, candy, beverages, food products, characters, cartoon characters suggesting the presence of a person under the legal age to purchase cannabis items, or any other depiction designed in any manner to be especially appealing to persons under the legal age to purchase cannabis items.**

On October 30, 2024, a Notice of Violation was issued to Prolific GrowHouse LLC for violations related to its failure to adhere to the Personal-Use regulations as it relates to packaging of their flower product. Prolific GrowHouse LLC was packaging flower under the “Fruity Pebbles” brand with packaging that depicted what closely-resembled the Post-trademarked cereal brand.

Pursuant to N.J.A.C. 17:30-20.4(b), unless otherwise specified by the Commission, within 20 business days of receipt of the notice of violation, the cannabis business or testing laboratory shall correct the violation(s) and notify the Commission, in writing, of any corrective actions taken to correct the violations, and the date of implementation of such corrective actions. On October 30, 2024, Prolific GrowHouse LLC responded to the Notice of Violation and provided a corrective action plan within 20 days of receipt of the Notice of Violation.

### **NJ-CRC’s Review of Imposition of Sanctions**

Regardless of whether a license holder provides a corrective action plan, pursuant to N.J.A.C. 17:30-20.5(a), in response to a violation of any provision of the Act or the Personal-Use Regulations, 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.

Pursuant to N.J.A.C. 17:30-20.6(b), a monetary penalty imposed by the Commission on a license holder pursuant to this subchapter may not exceed \$500,000 per major violation or \$50,000 per any other license violation. Pursuant to N.J.A.C. 17:30-20.6(c), a violation by each entity or person per day shall constitute a separate incident for the purposes of calculating the number of violations.

Pursuant to N.J.A.C. 17:30-20.6(d), the Commission may impose greater penalties for successive violations up to the maximum amounts.

Pursuant to N.J.A.C. 17:30-20.6(f), the Commission may, in the Commission's sole discretion, consider additional factors in determining the penalty for each violation. Such factors may include, but are not limited to:

1. Any prior violations that the license holder has admitted to or was found to have engaged in;
2. Good faith measures by the license holder to self-report or prevent the violation;
3. The license holder's record of compliance with the laws and rules pertaining to personal use cannabis;
4. Corrective action(s) taken by the license holder related to the current violation or prior violations;
5. Willfulness and deliberateness of the violation;
6. Likelihood of reoccurrence of the violation; and
7. Violations involving damage or danger to the life, health, welfare, safety, or property of any person.

After completing a thorough review of Prolific GrowHouse LLC's violations related to its product packaging, the Commission has determined to impose a civil monetary penalty of \$3,500.

In determining the penalty, the Commission considered the particular facts and circumstances of the violation, including:

1. Prolific GrowHouse LLC's efforts to work with Commission staff to remedy the violation by placing a new label on the cannabis items that were found to be inconsistent with NJ-CRC regulations; and
2. The Commission further found that, though the violation does not constitute a Category II violation because it is not known to have posed "an immediate and serious risk of harm or actual harm" to the health, safety, or welfare of any individual, the nature of the violation *does* pose a risk of harm to the health of children. Notwithstanding this risk to children, the Commission must consider the violation to be a Category V in accordance with N.J.A.C. 17:30-20.7(a).

The Commission finds the imposed penalty to be fair, reasonable, consistent with the regulations at N.J.A.C. 17:30, and reflective of the importance that NJ-CRC places on adherence to the Personal-Use Regulations and safety of Prolific GrowHouse LLC's patrons.

## **Next Steps**

Payment of this \$3,500 monetary penalty should be made using the following link by selecting "Violation Fines": <https://www.nj.gov/cannabis/businesses/resources/>

Please inform your assigned investigator when payment has been made.

If you wish to contest the imposition of this penalty, you may request an adjudicatory hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq., to contest the Commission's imposition of a civil monetary penalty for any license violation within 14 days of receipt of this initial decision. If you wish to exercise your right to a hearing, such a request must be made in writing and sent to:

Dave Tuason, Chief Counsel  
New Jersey Cannabis Regulatory Commission  
PO Box 216  
Trenton, NJ 08625-0216  
David.Tuason@crc.nj.gov

Should you have any questions regarding this correspondence, please submit your inquiry to the NJ-CRC Licensing inbox at [crc.licensing@crc.nj.gov](mailto:crc.licensing@crc.nj.gov).

Sincerely,

A handwritten signature in black ink, appearing to be 'DH' followed by a horizontal line.

Dianna Houenou  
Chairperson  
New Jersey Cannabis Regulatory Commission