



State of New Jersey
CANNABIS REGULATORY COMMISSION

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P.O. BOX 216
TRENTON, N.J. 08625-0216

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June 7, 2023

VIA CERTIFIED AND ELECTRONIC MAIL to: [REDACTED]

Evan Kolakowski
Director of Regulatory and Quality Assurance
TerrAscend NJ, LLC
c. 732-513-1444

Re: NOTICE OF VIOLATION TERRASCEND NJ LLC

Dear Mr. Kolakowski,

This letter is a Notice of Violation, issued by the New Jersey Cannabis Regulatory Commission (“NJ-CRC”) in accordance with N.J.A.C. 17:30-17 to TerrAscend NJ, LLC (“TerrAscend” or “ATC”). Commencing on May 21, 2023, and concluding on June 5, 2023, the NJ-CRC received several complaints from medical patients regarding TerrAscend’s imbalance of products available to the medical population at their dispensary locations and on their website. Following review, the ATC was found to have committed the following violations:

1. **Violations 1:** 4/12/2022 Final Agency Decision and N.J.A.C. 17:30-7.1(d) On Sunday, May 21, 2023, a complaint was filed and verified that the ATC failed to maintain equivalent products on the dispensary website as well as in store at the dispensary facilities. The complainant stated that they contacted the dispensary, and that the dispensary employee did not offer to move product from the adult use menu to the medicinal menu, to the detriment of the medicinal patient population and in contradiction to TerrAscend’s own Standard Operating Procedure for conducting virtual transfers to ensure equal product.
2. **Violation 2:** 4/12/2022 Final Agency Decision and N.J.A.C. 17:30-7.1(d) – On Friday, May 26, 2023, a complaint was filed and verified that the ATC failed to maintain equivalent products at TerrAscend’s Maplewood dispensary. The complainant stated that they contacted the dispensary and were not afforded the opportunity to purchase certain products, to the detriment of the medicinal patient population and in contradiction to TerrAscend’s own Standard Operating Procedure for conducting virtual transfers to ensure equal product.
3. **Violation 3:** 4/12/2022 Final Agency Decision and N.J.A.C. 17:30-7.1(d) On Saturday, May 27, 2023, a complaint was filed and verified that the ATC failed to maintain equivalent products on the dispensary website as well as in store at the dispensary facilities. The

complainant stated that they contacted the dispensary, and that the dispensary employee did not offer to move product from the adult use menu to the medicinal menu, to the detriment of the medicinal patient population and in contradiction to TerrAscend's own Standard Operating Procedure for conducting virtual transfers to ensure equal product.

4. **Violation 4:** 4/12/2022 Final Agency Decision and N.J.A.C. 17:30-7.1(d) On Monday, May 29, 2023, a complaint was filed and verified that the ATC failed to maintain equivalent products at TerrAscend's Lodi dispensary. The complainant stated that they contacted the dispensary, and that the dispensary employee required the complainant to purchase off of the adult use menu, rather than conducting a virtual transfer of the product to the medicinal menu, to the detriment of the medicinal patient population and in contradiction to TerrAscend's own Standard Operating Procedure for conducting virtual transfers to ensure equal product.
5. **Violation 5:** 4/12/2022 Final Agency Decision and N.J.A.C. 17:30-7.1(d) On Tuesday, May 30, 2023, a complaint was filed and verified that the ATC failed to maintain equivalent products at TerrAscend's Maplewood dispensary. The complainant stated that they contacted the dispensary, and that the dispensary employee required the complainant to purchase off the adult use menu, stating the product was only available to adult use customers. Further, the medical patient was told they would have to return to the store at 10:00 a.m. to purchase the product during recreational hours, to the detriment of the medicinal patient population and in contradiction to TerrAscend's own Standard Operating Procedure for conducting virtual transfers to ensure equal product.

Under N.J.S.A. 24:6I-46a(3)(a)(iv) "[a]s a condition of licensure following acceptance of a certification, an alternative treatment center shall meet the anticipated treatment needs of registered qualifying patients before meeting the retail requests of cannabis consumers, and the alternative treatment center shall not make operational changes that reduce access to medical cannabis for registered qualifying patients in order to operate a cannabis establishment or delivery service. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail or other sales, temporarily suspend the alternative treatment center's cannabis establishment, distributor, or delivery service license, or issue any other penalties determined by the commission through regulation."

Additionally, N.J.A.C. 17:30-20.4(b) provides that, within 20 business days of the receipt of the Notice of Violation, the cannabis business 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. The ATC 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.

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

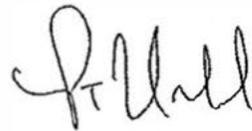
chapter, the Commission is authorized to take enforcement action or impose sanctions upon a license holder. Sanctions may include, but are not limited to, civil monetary penalties; suspension, revocation, non-renewal, or denial of a license; referral to State or local law enforcement, pursuant to N.J.A.C. 17:30-20.6, 20.7, and 20.8; or any combination thereof." Corrective action taken by the ATC 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).

Adequate inventory and access for medicinal patients is an on-going requirement for licensure as an Expanded Alternative Treatment Center. See N.J.A.C. 17:30-7.1(d). The ATC has acted in violation of the adult personal use regulations by failing to prioritize medicinal patients through the continued failure to maintain adequate supplies of product on their medicinal menu.

The NJ-CRC hereby orders the ATC to immediately conform its operations for patient access with its Standard Operating Procedure that was submitted and accepted by the NJ-CRC when granting the ATC the authority to operate in the adult personal use cannabis market and to take any action necessary to correct the above list of violations.

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