



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

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*Governor*

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CHARLES BARKER, *Commissioner*  
JEFF BROWN, *Executive Director*

TAHESHA L. WAY  
*Lt. Governor*

**RESOLUTION 2023-160**  
**IMPOSITION OF SANCTIONS AGAINST TERRASCEND NJ, LLC**

**WHEREAS**, pursuant to N.J.S.A. 24:6I-35(a)(15), the Commission shall adopt rules and regulations, which shall include civil penalties for the failure to comply with regulations adopted pursuant to this section; and

**WHEREAS**, 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; and

**WHEREAS**, 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; and

**WHEREAS**, the Final Agency Decisions (FADs) issued to TerrAscend NJ, LLC on April 12, 2022 for its Maplewood and Phillipsburg locations and May 25, 2022 for its Lodi location provided that an expanded ATC must satisfy certain requirements to preserve patient access to medicinal cannabis, which include providing “patients and designated caregivers with the exclusive ability to reserve products ahead of time so that they can be assured their order will be filled when going to the ATC”; and

**WHEREAS**, pursuant to N.J.A.C. 17:30-7.1(d), prior to the Commission accepting a certification from an Alternative Treatment Center (“ATC”), the ATC must prove by clear and convincing evidence “that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products.”; and

**WHEREAS**, on June 7, 2023, a Notice of Violation was issued to TerrAscend NJ, LLC,

NOV-03-2023, evidencing five separate violations for failing to maintain equivalent products for patients and adult use consumers that occurred at the entity's Maplewood, Phillipsburg, and Lodi dispensary locations and through their online ordering system; and

**WHEREAS**, on June 23, 2023, TerrAscend NJ, LLC responded to the Notice of Violation and provided a corrective action plan within 20 days of receipt of the Notice of Violation.; and

**WHEREAS**, pursuant to N.J.A.C. 17:30-20.5(a), 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; and

**WHEREAS**, 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; and

**WHEREAS**, 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 purposes of calculating the number of violations; and

**WHEREAS**, 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; and

**WHEREAS**, 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; and

**WHEREAS**, pursuant to N.J.A.C. 17:30-20.7(a), violations shall be categorized as follows:

1. Category I, which is the exhibition of a pattern and practice of violating the requirements of the rules, posing a serious risk of harm to the health, safety, or welfare of consumers or personnel;
2. Category II, which is the failure to comply with administrative requirements, such that the licensee or permittee poses an immediate and serious risk of harm or actual harm to the health, safety, or welfare of consumers, personnel, or the general public, including, but not limited to, transfer of cannabis to a person under 21 years of age;
3. Category III, which is the submission of fraudulent, false, or misleading information, as to a material fact, to the Commission, or falsifying or concealing any record required to be maintained by the license holder;
4. Category IV, which is the failure of any owner, principal, management services contractor, employee, or volunteer of a cannabis business license holder or testing laboratory to register with the Commission and be issued a Cannabis Business Identification Card; or failure to complete training course, or failure to be in physical possession of their Cannabis Business Identification Card while acting in the course of their duties; and
5. Category V, which shall consist of other violations of the Commission's rules, or violations of valid ordinances established by municipalities that do not constitute a major violation; and

**NOW, THEREFORE, BE IT RESOLVED** by the New Jersey Cannabis Regulatory Commission that TerrAscend NJ, LLC has failed in five separate instances to adhere to the administrative requirements imposed by the regulations and FADs and is subject to the imposition of sanctions as a result of the cited violations. The Commission further finds that the violations did not pose an immediate and serious risk of harm or actual harm to the health, safety, or welfare of consumers, personnel, or the general public.

The Commission has determined to impose a penalty of **\$100,000.00** against TerrAscend NJ, LLC pursuant to N.J.A.C. 17:30-20.6 and 20.7. A Notice of Enforcement Action shall be provided to the license holder in accordance with this Resolution and the Commission's regulations.

Pursuant to 17:30-20.6(i), the license holder 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 the notice of enforcement action.

Submitted by:



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Dianna Houenou, Chair

**CERTIFICATION**

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Cannabis Regulatory Commission at its meeting held on the 8th day of September 2023.



Christopher Riggs, Chief Counsel

<b>Vote on the Approval of This Resolution</b>	<b>Motion</b>	<b>Second</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Commissioner Barker		X	X			
Commissioner Del Cid-Kosso						X
Vice Chair Delgado				X		
Chairwoman Houenou	X		X			
Commissioner Nash			X			