

PHILLIP D. MURPHY Governor

TAHESHA L. WAY *Lt. Governor* DIANNA HOUENOU, Chair SAMUEL DELGADO, Vice Chair KRISTA NASH, Commissioner MARIA DEL CID-KOSSO, Commissioner AMELIA MAPP, Commissioner CHRIS RIGGS, Acting Executive Director

RESOLUTION 2025-<u>06-12-11</u> IMPOSITION OF SANCTIONS AGAINST COLUMBIA CARE NEW JERSEY LLC

WHEREAS, pursuant to N.J.S.A. 24:6I-7(m) and -37(d)(2), and the implementing regulations, the Commission is authorized to suspend a business's medical permit and adult-use license for failure to comply with applicable laws or regulations; and

WHEREAS, pursuant to N.J.A.C. 17:30A-13.8(a), any failure of an Alternative Treatment Center ("ATC") to adhere to the Jake Honig Compassionate Use Medical Cannabis Act, N.J.S.A. 24:6I-1 to -30, (the "Honig Act") or the implementing Medical Cannabis Rules (the "Medical Regulations"), may result in sanctions, including suspension, revocation, non-renewal, or denial of permit and referral to State or local law enforcement; and

WHEREAS, pursuant to N.J.A.C. 17:30-20.5(a), if the Commission identifies a violation of the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, N.J.S.A. 24:6I-31 et seq., (the "CREAMM Act") or the implementing Personal-Use Cannabis Rules (the "Personal-Use Regulations"), the Commission may take enforcement action or impose sanctions, which may include suspension, revocation, non-renewal, or denial of permit and referral to State or local law enforcement; and

WHEREAS, pursuant to N.J.S.A. 24:6I-7.2(e), the failure to enter into a collective bargaining agreement within 200 days after the date that a medical cannabis business first opens shall result in the suspension or revocation of such permit or conditional permit; and

WHEREAS, similarly, pursuant to N.J.S.A. 24:6I-36(c), failure to enter, or to make a good faith effort to enter, into a collective bargaining agreement within 200 days of the opening of a licensed adult-use cannabis establishment, shall result in the suspension or revocation of the establishment's license; and

WHEREAS, pursuant to N.J.A.C. 17:30-20.8 and N.J.A.C. 17:30A-13.8, the Commission shall provide written notice to the ATC, cannabis business, testing laboratory or its representative of the nature of the findings and violations and the proposed order of suspension; and

WHEREAS, pursuant to N.J.A.C. 17:30-20.8 and N.J.A.C. 17:30A-13.8, except in the case of a life-threatening emergency, the written notice shall provide the business 72 hours to correct the violation(s) and notify the Commission, in writing, of any corrective actions taken and proof of such corrective actions; and

WHEREAS, if the violations have not been corrected within the 72-hour period, the license or permit shall be deemed suspended, effectively immediately; and

WHEREAS, pursuant to the Commission's regulations, the Commission may rescind an order for suspension upon a finding the business has corrected the conditions that were the basis for the proposed suspension; and

WHEREAS, Columbia Care New Jersey LLC ("Columbia Care") interfered at, and therefore tainted, an employee ratification meeting in which employees were to decide whether to accept or reject a proposed collective bargaining agreement because a representative of management was present, and

WHEREAS, a ratification meeting is determined as a regular union meeting; and

WHEREAS, on January 9, 2025, a Notice of Violation (INV 02 25) was issued to Columbia Care for violations of N.J.S.A. 24:6I-7.2(e) and -36(c), and N.J.A.C. 17:30-9.4(h) related to labor relations;

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, after thorough review of the facts and available evidence, the Commission finds the following:

- The National Labor Relations Board ("NLRB") ruled that certain classes of employees are exempt from the National Labor Relations Act ("NLRA"). For those exempt employees, the Commission retains authority to ensure that they are subject to fair labor practices;
- 2. UFCW Local 152 ("the Union") conducted a card check at Columbia Care's Vineland facility before the ratification meeting and confirmed they had a majority representation of cultivation employees, who are not covered by the NLRA, who wished to be represented by the Union;

- 3. Subsequent negotiations between Columbia Care and UFCW Local 152 resulted in a scheduled meeting on or about October 17, 2024, for subject employees to decide whether to ratify a proposed collective bargaining agreement;
- 4. Allegations that Columbia Care's management promised higher wage increases to employees who rejected a proposed collective bargaining agreement at the ratification meeting and that on the day of the ratification meeting, Columbia Care's management petitioned employees to "decertify" UFCW Local 152 as the employees' designated representative for labor negotiations; and
- 5. Available evidence indicates bad faith in collective bargaining negotiations by Columbia Care, including Columbia Care's interference at with a ratification meeting by having a representative of management present at the meeting; and

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cannabis Regulatory Commission that Columbia Care violated the enabling statute and regulations, and, in accordance with N.J.A.C. 17:30A-13.8, and N.J.A.C. 17:30-20.8, the Commission has determined to impose a <u>2-DAY SUSPENSION</u> of the medical permit and adult-use license held by Columbia Care listed below.

Permit/License Type	Permit/License Number	Facility Address	Duration of Suspension
Medical Cultivator	MC000017	51 West Park Avenue, Vineland, New Jersey	2 days
Class 1 Cannabis Cultivator	C000093	51 West Park Avenue, Vineland, New Jersey	2 days

A Notice of Proposed Suspension shall be provided to the license or permit holder in accordance with this Resolution and the Commission's regulations. The Notice shall include a copy of the proposed Order of Suspension and the following specific corrective action required in order for the license or permit holder to avoid suspension:

Demonstrate that Columbia Care has defined a date on which its employees who are not subject to the NLRA would be able to vote on whether to accept or reject a collective bargaining agreement. The vote must take place without interference or the presence of management in a way that would reasonably be perceived by the employees as intimidating or coercive. Pursuant to N.J.A.C. 17:30-20.8 and N.J.A.C. 17:30A-13.8, the permit or 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 the proposed suspension for any violation within 48 hours of receipt of the Notice of Proposed Suspension.

Submitted by:

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 12th day of June 2025.

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Dave Tuason, Chief Counsel

Vote on the Approval of This Resolution	Motion	Second	Yes	No	Abstain	Absent	Recused
Commissioner Del Cid-Kosso					Х		
Vice Chair Delgado			Х				
Chairwoman Houenou		Х	Х				
Commissioner Mapp			Х				
Commissioner Nash	Х		Х				