



State of New Jersey

CANNABIS REGULATORY COMMISSION

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MIKIE SHERRILL
Governor

DR. DALE G. CALDWELL
Lt. Governor

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SEAN KENNEDY, *Commissioner*
CHRIS RIGGS, *Acting Executive Director*

RESOLUTION 2026-7-16-14 **IMPOSITION OF SANCTIONS MOLLITIAM NJ LLC**

WHEREAS, pursuant to N.J.S.A. 24:6I-35(a)(15), the New Jersey Cannabis Regulatory Commission (“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, pursuant to N.J.S.A. 24:6I-36a., each application for an annual license to operate a cannabis establishment, distributor, or delivery service, or conditional license for a proposed cannabis establishment, distributor, or delivery service, shall be submitted to the commission. A separate license or conditional license shall be required for each location at which a cannabis establishment seeks to operate, or for the location of each premises from which a cannabis distributor or delivery service seeks to operate, and

WHEREAS, pursuant to N.J.S.A. 24:6I-46b.(1)(a), a cannabis license holder shall be authorized to hold a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 5 Cannabis Retailer license, and a Class 6 Cannabis Delivery license concurrently, provided that no license holder shall be authorized to concurrently hold more than one license of each class, except for an alternative treatment center that was deemed, during the 24-month period, to have an additional Class 5 Cannabis Retailer license for each satellite dispensary that was authorized and established by the alternative treatment center pursuant to subparagraph (d) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7); and

WHEREAS, pursuant to N.J.A.C. 17:30- 6.8(e)(1), a license holder and its owners and principals may concurrently hold one cannabis cultivator, one cannabis manufacturer, one cannabis retailer, and one cannabis delivery service license; and

WHEREAS, pursuant to N.J.A.C. 17:30-3.6(a), the Commission has the authority to require all ATCs and cannabis businesses to use the inventory tracking system designated by the Commission to track the cultivation, manufacturing, distribution, storage, transportation, and retail sale of medical cannabis and cannabis items pursuant to N.J.S.A. 24:6I-22; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.13(a), each cannabis business, at a minimum, shall: Utilize the inventory tracking system designated by the Commission pursuant to N.J.A.C. 17:30-3.12. i. Cannabis businesses shall utilize any plant tags, product identification tags, or stamps designated by the Commission pursuant to N.J.A.C. 17:30-3.6 and 13.4; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.13(a)(4), each cannabis business, at a minimum, shall update product inventories on at least a daily basis; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.12(b), each cannabis business shall securely store finished usable cannabis and cannabis products that are ready for sale in a locked area, which may include a locked room, cage, or safe, with adequate security and limited access.

1. For purposes of this subsection, "adequate security," at a minimum, shall be assessed, established, and maintained based on:
 - i. The quantity of cannabis items kept on-hand;
 - ii. The cannabis business's inventory system for tracking and distributing cannabis items;
 - iii. The number of owners, principals, employees, volunteers, management services contractor staff, or vendor-contractors who have or could have access to the cannabis items;
 - iv. The geographic location of the cannabis business and its associated environmental characteristics, such as the remoteness of the premises from local populations and the relative level of crime associated with the area;
 - v. The scope and sustainability of the security alarm system; and
 - vi. The findings of root cause analyses of any breaches of security and/or inventory discrepancies for cannabis items at that location; and

WHEREAS, pursuant to N.J.A.C. 17:30-8.1(a), every owner, principal, management services contractor, employee, or volunteer of a cannabis business license holder or a testing laboratory that accesses the premises of a cannabis business or handles cannabis on behalf of a license holder or testing laboratory and every cannabis handler pursuant to N.J.S.A. 24:6I-44.a shall be required to register with the Commission and be issued a Cannabis Business Identification Card; and

WHEREAS, pursuant to N.J.S.A. 24:6I-22a.(2)(c), a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or certified medical cannabis handler, or a personal use cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, cannabis delivery service, or certified personal use cannabis handler, shall not purchase, sell, offer for sale, transfer, transport, or deliver any medical cannabis or personal use

cannabis item unless a stamp is properly affixed to the container or package for the medical cannabis or personal use cannabis item; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.4(l), a visitor entering a cannabis business premises must be accompanied by an escort with a Cannabis Business Identification Card at all times, except in the consumer area of a cannabis retailer. 1. A vendor-contractor's staff shall be considered to be a visitor during any time present at a cannabis business premises, except if the person is a management services contractor or other cannabis handler that possesses a Cannabis Business Identification Card, in accordance with N.J.A.C. 17:30-8.1(a); and

WHEREAS, pursuant to N.J.A.C. 17:30- 9.14(a), a license holder shall manage non-hazardous unusable cannabis, cannabis waste, or cannabis items, including returned, recalled, or usable cannabis or cannabis products that have expired, by either: destroying the material through incineration; or rendering the material unrecoverable, unrecognizable, and useless for diversion, and then disposing of the material by either transporting it off-site as compost or solid waste or composting it on-site; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.15, Secure Transport (in its entirety); and

WHEREAS, pursuant to N.J.A.C. 17:30-10.1(b), a cannabis cultivator shall produce cannabis only at the cannabis business premises authorized in the license, including any indoor or outdoor areas; and

WHEREAS, pursuant to N.J.A.C. 17:30-10.3(a), outdoor cultivation may be permitted, where the license holder complies with the Act and this chapter, and where approved by the municipality in which the cannabis business is located; and

WHEREAS, pursuant to N.J.A.C. 17:30-10.4, (a) All cannabis cultivators shall be assigned a cultivation production management tier at license issuance and reassigned at renewal, as necessary. (b) The cannabis cultivator shall accurately calculate its plant count and mature cannabis plant grow canopy area.

1. Square footage of a mature cannabis plant grow canopy area is measured horizontally, starting from the outermost point of the furthest plant in a grow canopy area and continuing around the outside of all plants located within the mature cannabis plant grow canopy area.
2. If a vertically tiered or shelving system is included in the cultivation area, the surface area of each tier or shelf must be included in calculating the grow canopy area.
3. A mature cannabis plant grow canopy area is the total square feet in which a cannabis cultivator plants and grows cannabis plants, and does not include areas exclusively used for harvesting, drying, curing, packaging, labeling, or storing cannabis; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.2(a)5, cannabis business license holders shall submit an application for an amended license, along with the applicable fee, if any, pursuant to N.J.A.C. 17:30-7.17, for the following material changes, a change:

5. Of modification of capacity, physical plant, premises, or administrative office; and

WHEREAS, pursuant to N.J.A.C. 17:30-10.7(b), a cannabis cultivator shall have at least the following storage areas, which must be segregated from each other:

1. Storage for newly received cultivation materials or components and newly received cannabis seeds, cuttings, clones, immature cannabis plants, or usable cannabis;

2. Batches of usable cannabis awaiting release for distribution for personal use, pending written reports confirming they meet specifications;
3. Any usable cannabis suspected, but not yet confirmed to be contaminated, including usable cannabis returned as part of a complaint or recall process;
4. Usable cannabis, components, or materials that have been confirmed to be contaminated, including, but not limited to, usable cannabis that fails testing or is returned as part of a recall, and shall be stored with cannabis waste in a waste disposal room until destroyed and rendered unrecoverable and unrecognizable, in accordance with N.J.A.C. 17:30–9.14; and

WHEREAS, pursuant to N.J.A.C. 17:30- 11.1(b), access to the enclosed indoor, locked area or facility shall be limited to Cannabis Business Identification Cardholders when acting on behalf of the cannabis manufacturer within the scope of their responsibilities as an owner, principal, employee, volunteer, management services contractor, or staff member of the license holder; and

WHEREAS, pursuant to N.J.A.C. 17:30-9.13(a)(5), Each cannabis business, at a minimum, shall: Conduct a monthly inventory audit of cultivating cannabis, and stored usable and unusable cannabis; and

WHEREAS, Mollitiam NJ LLC (“Mollitiam”) failed to adhere to the statute and Personal-Use Regulations as it relates to conducting an illegal outdoor grow at an unapproved location, storing cannabis in an unsecure area, failing to follow employee badging processes, failing to appropriately restrict access to premises, failing to notify the Commission regarding modifications to its license, failing to securely transport cannabis items, failing to appropriately store and dispose of expired cannabis items, failing to use the inventory tracking system designated by the Commission and failing to update its cannabis item inventories on a regular basis; and

WHEREAS, on February 10, 2026, a Notice of Violation was issued to Mollitiam; and

WHEREAS, on February 19, 2026, a Notice of Proposed Suspension and Proposed Order of Suspension was issued to Mollitiam summarily suspending Mollitiam’s Class 1 Cannabis Cultivator and Class 2 Cultivator Manufacturer licenses; and

WHEREAS, Mollitiam provided a corrective action plan to the Notice of Violation and Notice of Proposed Suspension; and

WHEREAS, Mollitiam’s Class 1 Cannabis Cultivator and Class 2 Cannabis Manufacturer licenses were suspended effective February 19, 2026, because it failed to correct the identified violations within the required 72- hour period set forth in the Notice of Proposed Suspension; 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 applicable 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; 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;

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Cannabis Regulatory Commission that Mollitiam violated the statute and Personal-Use Regulations by conducting an illegal outdoor grow at an unapproved location, storing cannabis in an unsecure area, failing to follow employee badging processes, failing to appropriately restrict access to premises, failing to notify the Commission regarding modifications to its license, failing to securely transport cannabis items, failing to appropriately store and dispose of expired cannabis items, failing to use the inventory tracking system designated by the Commission and failing to update its cannabis item inventories on a regular basis.

Mollitiam's failure to adhere to the requirements imposed by the statute and regulations exhibits a pattern and practice of violating the requirements of the statute and regulations and poses a serious risk of harm to the health, safety, and welfare of its personnel and the public. The Commission has determined to revoke Mollitiam's Class 1 Cannabis Cultivator license (C000147) and Class 2 Cannabis Manufacturer license (M000276). A Notice of Enforcement Action shall be provided to the license holder in accordance with this Resolution and the Commission's regulations.

Pursuant to N.J.A.C. 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:

A handwritten signature in black ink, appearing to read "H. Laufer", written in a cursive style.

Harris Laufer, 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 16th day of July 2026.



Arundhati Mohankumar, Chief Counsel

Vote on the Approval of This Resolution	Motion	Second	Yes	No	Abstain	Absent	Recusal
Chair Laufer	X		X				
Vice Chair Ferraro		X	X				
Commissioner Nash			X				
Commissioner Mapp							X
Commissioner Kennedy			X				