



State of New Jersey
CANNABIS REGULATORY COMMISSION

PHILLIP D. MURPHY
Governor

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

DIANNA HOUEYOU, *Chair*
KRISTA NASH, *Vice Chair*
AMELIA MAPP, *Commissioner*
CHRIS RIGGS, *Acting Executive Director*

TAHESHA L. WAY
Lt. Governor

August 25, 2025

[REDACTED]
Curaleaf NJ II LLC
[REDACTED]

**Re: NOTICE OF ENFORCEMENT ACTION - INITIAL AGENCY
DECISION REGARDING IMPOSITION OF SANCTIONS AGAINST
CURALEAF NJ II LLC**

Dear [REDACTED]:

The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has imposed a civil monetary penalty of \$610,000.00 against Curaleaf NJ II LLC 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.S.A. 24:6I-36(c), the maintenance of a labor peace agreement with a bona fide labor organization by a licensed cannabis establishment, distributor, or delivery service shall be an ongoing material condition of the establishment's, distributor's, or delivery service's license.

Pursuant to N.J.S.A. 24-6I-7(a)(2)(g), the maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining an alternative treatment center's permit.

Pursuant to N.J.A.C. 17:30-9.4(g), the maintenance of a labor peace agreement with a bona fide labor organization by a licensed cannabis business, including an expanded ATC, shall be an ongoing material condition of the cannabis business's license.

Curaleaf previously entered into a labor peace agreement with UFCW Local 360, a bona fide labor organization, effective April 6, 2022. As part of its periodic compliance review, the Commission found that Curaleaf's labor peace agreement had expired on April 6, 2025. Prior to the expiration of the LPA, Curaleaf had neither advised the Commission that it executed a new LPA, nor did it advise that the existing agreement had been renewed or otherwise extended.

On May 6, 2025, a Notice of Violation was issued to Curaleaf NJ II LLC ("Curaleaf") for violations related to its failure to maintain a labor peace agreement with a bona fide labor organization for any of its facilities in New Jersey (INV-83-2025).

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 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. Curaleaf responded to the Notice of Violation on June 2, 2025. Curaleaf's response admits to no longer having a labor peace agreement in place, does not correct the violation by providing a new LPA, and provides no details regarding how it plans to correct the violation.

NJ-CRC's Review of Imposition of Sanctions

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. Pursuant to N.J.A.C. 17:30-20.6, -20.7, and -20.8, 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; 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 Curaleaf's violations related to its failure to maintain a labor peace agreement with a bona fide labor organization, the Commission has determined to impose a civil monetary penalty of \$610,000.00.

In determining the penalty, the Commission considered the facts and circumstances of the violation, including, but not limited to:

1. Maintenance of a labor peace agreement is an ongoing material condition of a business's license or permit;
2. Curaleaf's labor peace agreement with a bona fide labor organization, which was executed on April 6, 2022, expired on April 6, 2025;
3. Prior to the LPA's expiration, Curaleaf did not provide a new, executed LPA, nor did it advise the Commission that the existing agreement had been renewed or otherwise extended;
4. Despite multiple requests from NJ-CRC for written verification of mutual agreement by Curaleaf and a bona fide labor organization reflecting that the existing labor peace agreement had been extended or a new labor peace agreement had been entered into, Curaleaf did not provide such written verification;
5. Curaleaf responded to the CRC's Notice of Violation on June 2, 2025 admitting that it does not have a valid labor peace agreement in place with a bona fide labor organization; and
6. Curaleaf failed to maintain an LPA, as required by law, from April 7, 2025, through August 7, 2025, a period of 122 days.

Though the maintenance of a labor peace agreement is a material condition of licensure, the violation constitutes a "non-major," Category V violation under N.J.A.C. 17:30-20.7(a). The Commission has an established precedent of imposing a penalty of \$5,000.00 per day against businesses that fail to maintain a labor peace agreement. The penalty of \$5,000.00 per day for 122 days amounts to a total fine of \$610,000.00. The Commission finds the imposed penalty to be fair, reasonable, and consistent with the regulations at N.J.A.C. 17:30.

Next Steps

Fines must be paid online by logging into the Commission's licensing portal at <https://nj-crc-public.nls.egov.com/login>. If you feel you cannot pay the fine within 30 days of the date of this notice, you are encouraged to contact the Commission to establish a payment plan.

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 notice of enforcement action. 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 cre.licensing@cre.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