State of New Jersey
CANNABIS REGULATORY COMMISSION
P.O. BOX 216
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CHRIS RIGGS, *Acting Executive Director*

July 29, 2026

[redacted]
Mollitiam NJ LLC
[redacted]

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

Dear [redacted]:

The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has determined to revoke Mollitiam NJ LLC's Class 1 Cannabis Cultivator license (C000147) and Class 2 Cannabis Manufacturer license (M000276).

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-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.

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).

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.

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.

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.

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.

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.

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.

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.

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).

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.

Pursuant to N.J.A.C. 17:30-9.15, Secure Transport (in its entirety).

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.

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.

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.

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

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.

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.

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.

On February 10, 2026, a Notice of Violation was issued to Mollitiam NJ LLC ("Mollitiam") for failure 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.

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.

NJ-CRC's Review of Imposition of Sanctions

Regardless of whether a license holder provides a corrective action plan, 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. 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.

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 Mollitiam's violations for failure 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, the Commission has determined to **revoke** Mollitiam's Class 1 Cannabis Cultivator license (C000147) and Class 2 Cannabis Manufacturer license (M000276). Your assigned NJ-CRC Compliance Officer will contact you to discuss next steps in closing your business.

In determining the penalty, the Commission considered where applicable, the license holder's history of violations, penalties previously imposed on businesses for similar violations and the particular facts and circumstances of the violation. The Commission finds the imposed penalty to be fair, reasonable, and consistent with the regulations at N.J.A.C. 17:30.

Next Steps

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 48 hours of receipt of this initial decision. If you wish to exercise your right to a hearing, such a request must be made in writing and sent to:

Arundhati Mohankumar, Chief Counsel
New Jersey Cannabis Regulatory Commission
PO Box 216
Trenton, NJ 08625-0216
Arundhati.Mohankumar@crc.nj.gov

Should you have any questions regarding this correspondence, please submit your inquiry to the NJ-CRC Licensing inbox at crc.licensing@crc.nj.gov.

Sincerely,



Harris Laufer
Chairperson
New Jersey Cannabis Regulatory Commission