State of New Jersey
CANNABIS REGULATORY COMMISSION
P.O. BOX 216
TRENTON, N.J. 08625-0216

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CHRIS RIGGS, *Acting Executive Director*

July 23, 2026

[redacted]
Prolific Growhouse LLC
[redacted]

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

Dear [redacted]:

The New Jersey Cannabis Regulatory Commission ("NJ-CRC" or "Commission") has imposed a civil monetary penalty of $15,000.00 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-35a.(9)(c), a licensed cannabis business is prohibited from engaging in advertising unless the advertiser has reliable evidence that at least 50 percent of the audience for the advertisement is reasonably expected to be 21 years of age or older.

Pursuant to N.J.A.C. 17:30-17:30-17.2(a), a licensed cannabis business may provide information to the public through advertising, except that no person shall engage in advertisement of a cannabis business, cannabis products, or cannabis paraphernalia, unless such person has reliable evidence that at least 71.6 percent of the audience for the advertisement is reasonably expected to be 21 years of age or older. *The regulation has not yet been updated to reflect the recent statutory amendment (N.J.S.A. 24:6I-35a.(9)(c)).

Pursuant to N.J.A.C. 17:30-17:30-17.2(d)(1)(ii), no person shall advertise any cannabis business, cannabis product, or cannabis paraphernalia in a manner that would target, or is designed to appeal to, individuals under the legal age to purchase cannabis products, including, but not limited to: . . . ii. Inclusion of objects, such as toys, characters, or cartoon characters suggesting the presence of a person under 21 years of age, or any other depiction designed in any manner to be especially appealing to a person under 21 years of age.

On April 21, 2026, a Notice of Violation was issued to Prolific Growhouse LLC ("Prolific") for failure adhere to the Act and the Personal-Use Regulations as it relates to advertising its cannabis business without reliable evidence that at least 50 percent of the audience for the advertisement was reasonably expected to be 21 years of age or older and for advertising its cannabis business in a manner that targets, or is designed to appeal to an individual under the legal age to purchase cannabis products.

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. Prolific responded to the Notice of Violation and provided a corrective action plan within 20 days of receipt of the Notice of Violation.

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 Prolific's violations related to failure adhere to the Act and the Personal-Use Regulations as it relates to advertising its cannabis business without reliable evidence that at least 50 percent of the audience for the advertisement was reasonably expected to be 21 years of age or older and for advertising its cannabis business in a manner that targets, or is designed to appeal to an individual under the legal age to purchase cannabis products, the Commission has determined to impose a civil monetary penalty of $15,000.00. The Commission's assessment of the civil monetary penalty is detailed below:

1. Violation 1: N.J.S.A. 24:6I-35a.(9)(c) –$7,500.00
2. Violation 2: N.J.A.C. 17:30-17.2(a)-$0.00
3. Violation 3: N.J.A.C. 17:30-17.2(d)(1)(ii)-$7,500.00

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

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 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
David.Tuason@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