



**State of New Jersey**  
**CANNABIS REGULATORY COMMISSION**

PHILLIP D. MURPHY  
*Governor*

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

DIANNA HOUEYOU, *Chair*  
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KRISTA NASH, *Commissioner*  
MARIA DEL CID-KOSSO, *Commissioner*  
AMELIA MAPP, *Commissioner*  
CHRIS RIGGS, *Acting Executive Director*

TAHESHA L. WAY  
*Lt. Governor*

**RESOLUTION 2025-06-12-12**  
**IMPOSITION OF SANCTIONS AGAINST PROLIFIC GROWHOUSE 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.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 certain material changes, including a change of modification of capacity, physical plant, premises, or administrative office; and

**WHEREAS**, pursuant to N.J.A.C. 17:30-9.10(b)(7) and (9), at a minimum, each cannabis business shall keep access from outside the cannabis business premises to a minimum and ensure that access is well controlled; and equip interior and exterior premises with electronic monitoring, video cameras, and panic buttons. A video surveillance system shall be installed and operated at the cannabis business premises to clearly monitor all critical control activities of the cannabis business and shall be in working order and operating at all times. The cannabis business shall provide access for remote viewing by the Commission. This system shall be approved by the Commission prior to license issuance. The original tapes or digital pictures produced by this system shall be stored in a safe place with a 30-day archive; 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; 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. 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. 17:30-8.1(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**, Prolific Growhouse LLC (“Prolific Growhouse”) acted in violation of the Jake Honig Act, the CREAMM Act, and the implementing regulations by operating its facility in contrast to its submitted Standard Operating Procedures by failing to secure its facility and packaged cannabis, implement appropriate camera access, maintain proper employment procedures, utilize plant tags, and notify the NJ-CRC of facility modifications, and

**WHEREAS**, on January 27, 2025, a Notice of Violation (INV 04 25) was issued to Prolific Growhouse for the above noted violations; and

**WHEREAS**, Prolific Growhouse responded to the Notice of Violation and provided a corrective action plan within 20 days of receipt of the Notice of Violation; 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 the implementing 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; and

**NOW, THEREFORE, BE IT RESOLVED** by the New Jersey Cannabis Regulatory Commission that Prolific Growhouse violated N.J.A.C. 17:30-8.1(a), N.J.A.C. 17:30-9.2(a)(5), N.J.A.C. 17:30-9.10(b)(7) and (9), N.J.A.C. 17:30-9.12(b), and N.J.A.C. 17:30-9.13(a) by failing to adhere to the requirements imposed by the regulations and their approved Standard Operating Procedures. The Commission further finds that the violations meet the definitions of Category IV and Category V, but did not pose an immediate and serious risk of harm or actual harm to the health, safety, or welfare of consumers, personnel, or the general public.

The Commission has determined to impose a penalty of \$6,000.00 against Prolific Growhouse pursuant to N.J.A.C. 17:30-20.4. 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:

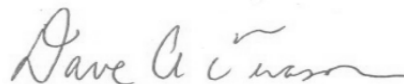


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Dianna Houenou, Chair

#### **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 12<sup>th</sup> day of June 2025.



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Dave Tuason, Chief Counsel

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