



MEMORANDUM

TO: CANNABIS REGULATORY COMMISSION BOARD

FROM: CHRISTOPHER J. RIGGS, ACTING EXECUTIVE DIRECTOR

SUBJECT: BRUTE'S ROOTS LLC PROPOSAL FOR ENFORCEMENT (INV-44- 2026)

DATE: JULY 16, 2026

BACKGROUND: On May 21, 2026, a Notice of Violation was issued to Brute's Roots LLC ("Brute's Roots") for failing to utilize authorized packaging and labeling on products, allowing unauthorized individuals to access business systems, and exceeding allowable THC limits on products. The Office of Compliance and Investigations for the New Jersey Cannabis Regulatory Commission ("NJ-CRC") became aware of this violation through a consumer complaint on May 11, 2026. At that time, an investigation was conducted, and a recommendation was provided via e-mail to the Director of the Office of Compliance and Investigations. Upon a determination by the Director of the Office of Compliance and Investigations that violations had occurred, the matter was presented to Counsel's Office for consideration. In coordination with Counsel's Office and the Office of the Executive Director, the Notice of Violation was issued on May 21, 2026. On June 1, 2026, Brute's Roots responded to the Notice of Violation.

AUTHORITY:

N.J. Stat. Ann. § 24:6I-35a.(7)(a)(i)

Labeling and packaging requirements for cannabis items sold or distributed by a cannabis establishment, including, but not limited to, the affixing of a tracking stamp to containers or packaging as set forth in section 29 of P.L.2019, c.153 (C.24:6I22) and requirements that:

(a) Cannabis items and cannabis paraphernalia are not packaged, branded, or marketed using any statement, illustration, or image that:

(i) Includes false, deceptive, or misleading statements

N.J. Stat. Ann. § 24:6I-35a.(7)(d)(viii)

Labeling and packaging requirements for cannabis items sold or distributed by a cannabis establishment, including, but not limited to, the affixing of a tracking stamp to containers or packaging as set forth in section 29 of P.L.2019, c.153 (C.24:6I22) and requirements that:

(d) Labeling rules that mandate clear identification of health and safety information,



including, but not limited to:

(viii) Warning labels that include the nationwide toll-free telephone number used to access poison control centers that is maintained in accordance with 42 U.S.C. s.300d-71, as well as include, but are not limited to, one or more of the following statements, if applicable to a particular cannabis item: "This product is intended for use by adults 21 years of age or older. Keep out of the reach of children"

N.J. Admin. Code § 17:30-16.3(a)

A cannabis manufacturer shall ensure each package of unusable or usable cannabis or cannabis product contains all information set forth and printed directly on the package, affixed with a complaint label before transfer to another cannabis business.

N.J. Admin. Code § 17:30-16.3(b)(5)

Direct printing on the package of, or labels affixed to, unusable cannabis packaged for the purposes of manufacturing of cannabis items shall include the following consumer safety and product information:

5. A sequential serial number, batch or lot number, and bar code to identify the batch or lot associated with cultivation or manufacturing

N.J. Admin. Code § 17:30-16.3(c)(1)(ii)

Labels affixed to cannabis items shall contain the following consumer warnings, as applicable, in no less than six-point font, unless otherwise noted:

1. For all finished cannabis items:

ii. "This product is intended for use by adults 21 years of age or older and not for resale. Keep out of the reach of children"

N.J. Admin. Code § 17:30-16.3(d)

The cannabis business shall submit the label and any required form to the Commission for recordkeeping.

N.J. Admin. Code § 17:30-16.5(a)(1)

The packaging and labeling of cannabis items shall not contain any:

1. Statement, illustration, or image that includes false, deceptive, or misleading statements or promotes overconsumption.



N.J. Admin. Code § 17:30 -11.12(a)(1) and (5)

A cannabis manufacturer shall designate a manufacturing supervisor who will be responsible for ensuring compliance with this subchapter, including ensuring that:

1. Cannabis products have been properly prepared, labeled, controlled, stored, sold, and distributed in accordance with the provisions of this standard;
2. All aspects of the manufacturing process are documented and that accurate manufacturing records for all cannabis products prepared by the cannabis manufacturer are maintained;
3. Manufacturing personnel are capable of, and qualified to perform, their assigned duties;
4. Ingredients used in manufacturing have their expected identity, strength, quality, and purity consistent with the requirements in this standard;
5. Cannabis products are manufactured with acceptable strength, quality, and purity, are packaged with appropriate packaging and labeling, and are prepared in accordance with good manufacturing practices pursuant to 21 CFR Parts 110 and 210, as applicable;
6. Critical processes are recorded and validated to ensure that procedures will consistently result in the expected strength, quality, and purity in the finished cannabis products;
7. The manufacturing environment is suitable for its intended purpose;
8. Appropriate stability testing pursuant to N.J.A.C. 17:30-19.5 is performed, or is determined from literature, for establishing reliable expiration dating to ensure that the finished cannabis products have their expected strength, quality, and purity, at least until the labeled expiration date;
9. Manufacturing conditions and standard operating procedures are in place to minimize the potential for errors; and
10. Adequate procedures and records exist for investigating and correcting failures or problems in manufacturing, quality control, or in the cannabis product itself.

N.J. Admin. Code § 17:30-16.3(b)(6)

A list of any other inactive or excipient ingredients besides unusable or usable cannabis or cannabis concentrate used to manufacture a cannabis product or contained within the package; for non-TCS food items, this includes a list of ingredients in descending order of predominance by weight or volume, as applicable, and a nutritional label.



N.J. Admin. Code § 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.

N.J. Admin. Code § 17:30-9.10(a)

Each cannabis business shall provide effective controls and procedures to guard against unauthorized access to the cannabis business premises or the cannabis business's electronic systems, theft, and diversion of cannabis. Such controls may include, but are not limited to, systems to protect against electronic records tampering.

N.J. Stat. Ann. § 24:6I-35a.(8)(g)(i)

Health and safety regulations and standards for the cultivation of cannabis, and the manufacture and sale of cannabis items, including, but not limited to, requirements that:

(g)(i) Set appropriate dosage, potency, and serving size limits for cannabis items, provided that a standardized serving of a cannabis product shall be no more than 10 milligrams of active THC and no individual edible cannabis product for sale shall contain more than 100 milligrams of active THC.

N.J. Admin. Code § 17:30-11.5(d)(2)

A cannabis manufacturer shall manufacture cannabis products such that each package of finished cannabis product shall, for ingestible products, contain no more than 100mg of active THC.

N.J. Admin. Code § 17:30-11.13(b)(2)

A cannabis manufacturer shall maintain a manufacturing record for each cannabis product; the record shall contain the following information:

2. Verification that the ingredients comply with the master formulation record

N.J. Admin. Code § 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 Act or this chapter, 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.



1. Such notice may be provided by service of written notice or the receipt of a written notice from an investigating officer that a violation has occurred, which may be presented to the license holder's owner, principal, or manager at the licensed premises or administrative office, or through other reasonable form of notice, such as certified mail or personal service pursuant to N.J. Ct. R. 4:4–4.

(b) Unless otherwise specified by the Commission, within 20 business days of receipt of the notice of violation pursuant to (a) above, the cannabis business or testing laboratory shall:

1. Correct the violation(s); and
2. Notify the Commission, in writing, with a postmark date that is within 20 business days of the date of receipt of the notice of violation, of any corrective actions taken to correct the violations, and the date of implementation of such corrective actions.

(c) The violation identified pursuant to (a) above shall not be deemed corrected until the Commission verifies, in writing, within seven calendar days of receiving notice of corrective action pursuant to (b) above that the corrective action is satisfactory.

(d) If the violation identified pursuant to (a) above has not been corrected in accordance with (b) above, the Commission may, in its discretion, issue a notice of proposed suspension or revocation to the license holder and seek to revoke the cannabis business license in accordance with N.J.A.C. 17:30–20.8.

N.J. Admin. Code § 17:30-20.6

(a) This section sets forth civil monetary penalties for violations of the Act or this chapter and enforcement procedures for imposing and collecting civil monetary penalties by the Commission.

(b) A monetary penalty imposed by the Commission on a license holder pursuant to this subchapter may not exceed \$500,000 per violation. Penalties may be imposed on a license holder as follows:

1. Not more than \$500,000 per major license violation; and
2. Not more than \$50,000 per any other license violation.

(c) A violation by each entity or person per day shall constitute a separate incident for purposes of calculating the number of violations.

(d) The Commission may impose greater penalties for successive violations up to the maximum amounts set forth at (b) above.

(e) The penalty for a subsequent violation shall only be imposed if the license holder has been notified of the prior violation or violations.



1. Such notice may be provided by service of written notice or the receipt of a written notice from an investigating officer that a violation has occurred, which may be presented to the license holder's owner, principal, or manager at the licensed premises or administrative office, or other reasonable form of notice such as certified mail or personal service pursuant to N.J. Ct. R. 4:4-4.

2. If violations are discovered during an undercover or unannounced inspection or onsite assessment, then no notice of any prior violation is necessary to impose the penalty for a subsequent violation.

(f) Notwithstanding anything in this section, 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.

(g) Any penalties, costs, and/or fees pursuant to this subsection may be imposed and collected by the Commission in a summary proceeding pursuant to the Penalty Enforcement Law of 1999, P.L. 1999, c. 274 (N.J.S.A. 2A:58-10 et seq.).

(h) The Commission may additionally seek reimbursement for the costs of the State, including, but not limited to:

1. Costs of investigation, expert witness fees and costs, attorney fees and costs, and transcript costs for violations; and
2. Costs of cleaning up, mitigating, or remedying any environmental damage caused by a cannabis business or testing laboratory.



(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 civil monetary penalty.

(j) If the license holder requests an adjudicatory hearing pursuant to (i) above, the Commission shall arrange for a hearing to be conducted by the Commission and a final agency decision shall be issued after the hearing by the Commission.

1. If the Commission affirms the civil monetary penalty, it shall become final.

(k) The cannabis business may, pursuant to N.J.A.C. 17:30–20.10, apply for injunctive relief against the Commission's civil monetary penalty in the New Jersey Superior Court, Appellate Division.

N.J. Admin. Code § 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.



(b) The Commission shall issue sanctions for violations of this chapter that account for the particular circumstances of the violation. The Commission shall consider, at a minimum, issuing the following sanctions for violations:

Category	Violation 1	Violation 2	Violation 3	Violation 4
I	Revocation			
II	\$500,000	Suspension	Revocation	
III	\$250,000	\$500,000	Revocation	
IV	\$10,000	\$25,000	\$50,000	Suspension
V	\$5,000	\$10,000	\$25,000	\$50,000

(c) A license holder shall pay an imposed civil monetary penalty by the time specified by the notice of enforcement action.

IN-DEPTH REVIEW: Inquiring parties can review the violations committed in the attached May 21, 2026, Notice of Violation. Brute's Roots failed to adhere to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act and Adult Use regulations by failing to utilize authorized packaging and labeling on products, allowing unauthorized individuals to access business systems, and exceeding allowable THC limits on products. As required when a Notice of Violation is issued, Brute's Roots did provide a response within 20 business days of receipt of the Notice of Violation, addressing the violation, stating its reasoning for failing to comply with the regulations and providing corrective actions.

RECOMMENDATION: It is the opinion of staff that Brute's Roots has failed to adhere to the requirements imposed by the regulations.

The Office of Compliance and Investigations considers these to be "violation[s] of the Commission's rules... that do not constitute a major violation" and therefore it is prudent that each violation, except for the violation of N.J.A.C. 17:30-8.1(a), be treated as a Category V violation with some elevated to the third tier because of public safety risk. The violation of N.J.A.C. 17:30-8.1(a) would be a Category IV.

APPENDIX

N.J. Admin. Code § 17:30-20.4

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1. Such notice may be provided by service of written notice or the receipt of a written notice from an investigating officer that a violation has occurred, which may be presented to the license holder's owner, principal, or manager at the licensed premises or administrative office, or through other reasonable form of notice, such as certified mail or personal service pursuant to N.J. Ct. R. 4:4-4.

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(d) If the violation identified pursuant to (a) above has not been corrected in accordance with (b) above, the Commission may, in its discretion, issue a notice of proposed suspension or revocation to the license holder and seek to revoke the cannabis business license in accordance with N.J.A.C. 17:30-20.8.

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