



State of New Jersey
CANNABIS REGULATORY COMMISSION

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January 18, 2023

VIA CERTIFIED AND ELECTRONIC MAIL to: l.sheckler@acreageholdings.com

Lynsi Sheckler, Senior Director
Acreage CCF NJ
366 Madison Ave., 14th Floor
New York, New York 10017

Re: **NOTICE OF VIOLATION – ACREAGE CCF NJ LLC**

Dear Ms. Sheckler,

This letter is a Notice of Violation, issued by the New Jersey Cannabis Regulatory Commission (“NJ-CRC”) in accordance with N.J.A.C. 17:30-17 to Acreage CCF NJ LLC (“Acreage” or “ATC”). On Monday, January 9, 2023, the NJ-CRC conducted an investigation following receipt of a patient complaint. During the course of the investigation, it was determined that the ATC committed the following violations:

1. **Violations 1:** 4/12/2022 and 8/3/2022 Final Agency Decisions and N.J.A.C. 17:30-7.1(d) – Acreage prioritized Adult Use consumers over patients by limiting point-of-sale locations at a 5 (for Adult Use) to 1 (for Medicinal patients) ratio, resulting in a patient waiting 17 minutes to reach the point-of-sale system, while in excess of fifteen Adult Use consumers were attended to.

Under N.J.S.A. 24:6I-46a(3)(a)(iv) “[a]s a condition of licensure following acceptance of a certification, an alternative treatment center shall meet the anticipated treatment needs of registered qualifying patients before meeting the retail requests of cannabis consumers, and the alternative treatment center shall not make operational changes that reduce access to medical cannabis for registered qualifying patients in order to operate a cannabis establishment or delivery service. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail or other sales, temporarily suspend the alternative treatment center’s cannabis establishment, distributor, or delivery service license, or issue any other penalties determined by the commission through regulation.”

Additionally, N.J.A.C. 17:30-17.4(b) provides that, within 20 business days of the receipt of the Notice of Violation, the cannabis business shall (1) Correct the violations; (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.

This Notice of Violation satisfies the NJ-CRC's responsibility to provide five-day notice before any

enforcement action shall be taken, as required by N.J.A.C. 17:30-17.5. The ATC is notified that the above-referenced violations may result in the imposition of civil monetary penalties in amounts not to exceed \$50,000 per violation of the regulations, and not to exceed \$10,000 per violation of the FAD.

N.J.A.C. 17:30-17.5(a) establishes that: “In response to a violation of any provision of the Act or this chapter, 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. 17:30-17.6, 17.7, and 17.8; or any combination thereof.” Corrective action taken by the ATC does not preclude the NJ-CRC from imposing penalties but may be taken into consideration when considering the penalty to be imposed for each violation. N.J.A.C. 17:30-17.6(f)(4).

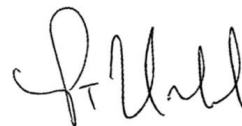
Adequate inventory and access for medicinal patients is an on-going requirement for licensure as an Expanded Alternative Treatment Center. See N.J.A.C. 17:30-7.1(d). Additionally, pursuant to the NJ-CRC’s Final Agency Decision (“FAD”) issued to Acreage on April 12, 2022, “Failure to satisfy the inventory, patient access, social equity plans, and labor requirements as outlined above may subject the ATC to fines not to exceed \$10,000.00 per day, in addition to suspension of the ATC’s license(s)...”

The ATC has acted in violation of the adult personal use regulations and the FAD by failing to prioritize medicinal patients. The dispensary provided five access points for adult use consumers and only one access point for medical patients, resulting in a patient waiting in excess of 15 minutes to receive assistance at a point-of-sale system, while adult use sales continued to be conducted. The NJ-CRC was able to verify the complaint received and track the patient’s wait time through its remote camera access and review of the ATC’s internal management system.

The NJ-CRC hereby orders the ATC to immediately conform its operations for patient access with its Standard Operating Procedure that was submitted and accepted by the NJ-CRC when granting the ATC, the authority to operate in the adult personal use cannabis market (which included operating multiple medicinal-only point-of-sale locations) and to take any action necessary to correct the above list of violations.

The NJ-CRC appreciates your expeditious cooperation in this matter. Any questions regarding this correspondence can be sent via e-mail to the assigned Field Monitor.

Sincerely,



Paul Thomas Urbish, Esq.
Director
Office of Compliance and Investigations
New Jersey Cannabis Regulatory Commission