



State of New Jersey
CANNABIS REGULATORY COMMISSION

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April 28, 2022

VIA CERTIFIED AND ELECTRONIC MAIL to: james.leventis@verano.com

James A. Leventis, Esq.
Executive Vice President
Verano Holdings
415 N. Dearborn Street
Chicago, Illinois 60654

Re: NOTICE OF VIOLATION - **VERANO NJ**

Dear Mr. Leventis,

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 Verano NJ ("Verano"). Verano was found to have committed the following violations:

1. **Violation 1:** 4/12/2022 Final Agency Decision - Verano withheld product from medicinal patients in favor of adult personal use consumers. Specifically, the NJ-CRC has determined that the following product was made available only to adult personal use consumers:
 - a. Durban (350 mg) Kind Tree Distillate Vape Cartridge;
2. **Violation 2:** 4/12/2022 Final Agency Decision – Verano permitted Adult Use customers to purchase product at the dedicated point of sale station for Medicinal Patients, while a Medicinal Patient was required to wait;
3. **Violations 3/4:** N.J.A.C. 17:30-8.1 – Verano permitted access to the premises of the cannabis business to employees that were not registered with the Commission and had not been issued Cannabis Business Identification Cards OR an Alternative Treatment Center Identification Cards;
4. **Violation 5:** N.J.A.C. 17:30-12.7 – Verano permitted access to the vault storage area to an employee that did not possess a Cannabis Business Identification Card OR Alternative Treatment Center Identification Card;
5. **Violation 6:** N.J.A.C. 17:30-9.12(b) – Verano maintained a vault area the door of which was propped open, failing to securely store finished usable cannabis and cannabis products that are ready for sale in a locked area

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.” 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 Verano 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 NJ-CRC is authorized to take these enforcement actions pursuant to N.J.A.C. 17:30-17.5.”

Verano has acted in violation of the adult personal use regulations and the FAD by limiting their menu for medicinal patients, permitting employment of individuals that had not received NJ-CRC approval and had not been issued NJ-CRC Employment Cards, permitting entry into the dispensary vault area by individuals that were not NJ-CRC approved employees, failing to secure the dispensary storage vault, and failing to prioritize access for medicinal patients.

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. Verano is notified that the above-referenced violations will result in the imposition of a civil monetary penalty in an amount not to exceed \$50,000 per violation of the regulations, and not to exceed \$10,000 per violation of the FAD.

The NJ-CRC hereby orders Verano to immediately conform its operations for patient access with its Standard Operating Procedure that was submitted and accepted by the NJ-CRC when granting Verano the authority to operate in the adult personal use cannabis market.

The NJ-CRC appreciates your expeditious cooperation in this matter. Any questions regarding this correspondence can be sent via e-mail to Deputy Counsel Paul Urbish at Paul.Urbish@crc.nj.gov.

Sincerely,



Dianna Houenou
Chair
New Jersey Cannabis Regulatory Commission



Jeff Brown
Executive Director
New Jersey Cannabis Regulatory Commission

Cc: Michael McQueeney, Counsel to Verano (to: mmcqueeney@foleyhoag.com)