IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF IOWA CENTRAL DIVISION

HW PREMIUM CBD, LLC,
AJ'S HEALTH AND WELLNESS d/b/a
AMERICAN SHAMAN, E. KRIEGER
LAND, LLC d/b/a GREENE GOODS
MARKET & GREENHOUSES, GREEN
ONYX INC. d/b/a YOUR CBD STORE,
BEYOND CBD, LLC dba BEYOND CBD,
CAMPBELL'S NUTRITION CENTERS,
INC., TCI ENTERPRISE, INC. d/b/a SKY
HIGH, ICANNA, LLC, YOUR CBD STORES
FRANCHISING, LLC,

Case No. 4:24-cv-00210-SHL-HCA

Plaintiffs,

v.

GOVERNOR KIM RENOLDS in her official capacity, IOWA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIRECTOR OF IOWA DEPARTMENT OF HEALTH AND HUMAN SERVICES KELLY GARCIA in her official capacity, IOWA DEPARTMENT OF PUBLIC SAFETY, and COMMISSIONER OF IOWA DEPARTMENT OF PUBLIC SAFETY STEPHAN BAYES in his official capacity.

Defendants.

SUPPLEMENTAL DECLARATION OF ASHLEY POWELL

- I, Ashley Powell, do hereby attest as follows:
- 1. I am over the age of majority, am competent to testify, and I have personal knowledge of the matters addressed in this declaration.
- 2. This Declaration is submitted in support of Plaintiffs' Motion for Temporary Restraining Order and Preliminary Injunction.

- 3. I am the owner of AJ's Health and Wellness, LLC d/b/a American Shaman and American Shaman of Greater Des Moines.
- 4. CBD American Shaman, LLC, based in Kansas City, Missouri, is a franchisor with approximately 200 franchisees across the United States. AJ's Health and Wellness operates the only 3 franchise locations in Iowa.
- 5. AJ's Health and Wellness operates three retail locations in Altoona, IA, West Des Moines, IA, and Indianola, IA.
- 6. AJ's Health and Wellness is registered and licensed with the Iowa Department of Health and Human Services as a retailer to sell consumable hemp products in Iowa. American Shaman Altoona holds registration number 200193. American Shaman West Des Moines holds registration number 203387. American Shaman Indianola holds registration number 220120.
- 7. AJ's Health and Wellness sells a variety of products containing ultra concentrated terpene rich CBD oil derived from all natural, high quality industrial hemp.
- 8. CBD is an acronym of cannabidiol, which is a naturally occurring cannabinoid derived from the cannabis plant. Cannabis includes both hemp and marijuana, but CBD is usually derived from hemp due to its high CBD and low THC levels.
- 9. CBD is non-intoxicating, meaning it will not bring a "high" experience as it lacks the psychoactive ingredient, tetrahydrocannabinol (THC), which is found in marijuana.
- 10. CBD offers a wide range of benefits including an improved mental state, decrease in minor discomfort, boost in immune system health, improved rest, increased energy, support for cardiovascular system, and improved overall health.
- 11. The products include topical serums, topical creams, oil tinctures, water solubles, gummies, and beauty products.

- 12. AJ's Health and Wellness also sells products including hemp-derived Delta-9-THC products.
- 13. Delta-9-THC products are intoxicating in certain amounts, but is legal in accordance with the 2018 Farm Bill insofar as it is derived from hemp plants and contains less than 0.3% THC by dry weight.
- 14. Delta-9-THC products are sold and consumed as edibles in the form of beverages, gummies, caramels, taffy, honey, and chocolate.
- 15. Delta-9-THC offers a variety of health benefits including positive mental support, improved joint function, improved relaxation, increased concentration, and improved sleep.
- 16. AJ's Health and Wellness does not sell consumable hemp products to individuals under the age of 21.
- 17. In 2023, AJ's Health and Wellness generated \$3,096,991 in total sales and \$1,201,779.42 of net income, employed 15 individuals at its peak, and paid \$21,076 in payroll taxes and \$215,500 in sales tax.
- 18. On average, the three stores received approximately 140 new customers per month throughout 2023.
- 19. AJ's Health and Wellness ships orders out-of-state and has done so over the past eighteen months.
- 20. On June 22, 2024, AJ's Health and Wellness closed the Indianola location as 95% of the sales in the store could not comply with HF 2605 because the consumable hemp products sold there will not comply with the serving and container size requirements in HF 2605 based on my current understanding of what DHHS has said they intend to enforce.

- 21. The terms "serving" and "container" within the Hemp Amendments are not defined. There are no definitions that define what "serving" or "container" mean in this context. My store sells a variety of products that are topicals, liquids, and solids with a variety of different serving sizes and without guidance on what these terms means, this compounds my concerns regarding compliance with the new Hemp Amendments.
- 22. For example, I have powdered drink mixes that contain five (5) "sticks" of powder that contain 20mg of THC each. A copy of the product's packaging and label is attached here as Exhibit 1 to my declaration.
- 23. I also have topical products, some of which come in a 1-ounce jar. An example of such a product is attached as Exhibit 2 to my declaration. Specifically, the product identified in Exhibit 2 contains 1000 mg of nano cannabinoids, which contains THC. However, because it is a topical product, it does not create any psychoactive effects and it does not have "serving sizes" as most topical products do not display that information.
- 24. My store also sells solid consumable hemp products, like gummies. Examples of gummies previously sold by my stores are attached as Exhibit 3 to my declaration. Specifically, these examples show the difference and range between serving sizes and total THC content. These products, before today, were all federally legal and legal under Iowa law.
- 25. As of today, I am unsure of what I am still allowed to sell in my stores because there are no official regulations for guidance. For example, it is unclear whether I am allowed to sell a drink that contains 10mg of THC per can but 4mg or less per serving, or 12 oz., 2.5 per serving can that could have 4 mg. of THC per serving. This confusion is compounded by the fact that I do not know what "warning label" I am required to affix to the products.

- 26. Additionally, even if AJ's Health and Wellness's products did comply with the serving and container size requirements, we do not know what language must be included in the warning label required by HF 2605. Further, based on my discussions with a representative from the Bureau of Cannabis Regulation Compliance Program, I may be allowed to affix my own label to a product, but this directly contradicts what is contained in I.C.A. Chapter 156 (stating that a "consumable hemp retailer shall not manufacture, process, package, repackage, relabel, mix, blend, or otherwise manipulate a consumable hemp product.") (emphasis added).
- 27. We also do not know what specifically is prohibited by HF 2605's prohibition of sales of "synthetic consumable hemp products." Effectively, we are unsure whether we can sell any of our consumable hemp products as of July 1, 2024 without facing criminal liability and prosecution.
- 28. It is my understanding that selling consumable hemp products that do not meet the requirements contained in Chapter 204 (including HF 2605) is illegal, and that we can be prosecuted for selling or even possessing noncompliant consumable hemp products beginning July 1, 2024.
- 29. On July 1, 2024, should HF 2605 go into effect, current inventory that will become non-compliant is required to be destroyed. This will result in lost cost of goods of \$107,872 and lost revenue of \$207,094. This does not take into account the future lost revenue as many products previously available will not be sold in the store.
- 30. I have asked several manufacturers whether they have product available for purchase that complies with the Hemp Amendments and only one manufacturer, American Shaman Corporate, is going to produce a product specifically for Iowa. However, it is not known if this will be a permanent product for sale. This single product represents 1% of the products I am no longer able to sell. I am unaware of any other manufacturers that have made or are making Iowa-compliant products.

- 31. Ultimately, if HF 2605 takes effect, AJ's Health and Wellness will be forced to close all its locations.
- 32. With the closure of the Indianola location, AJ's Health and Wellness has reduced its number of employees to 7. Upon closure of the other two locations, the remaining AJ's Health and Wellness employees will be unemployed.
- 33. DHHS has communicated they will be unable to regulate online sales, allowing non-compliant products to remain in the state and drive business away from Iowa businesses.
- 34. Based on my conversations with a representative from DHHS, it is apparent to me that there is a clear lack of understanding by those who are charged with implementing and enforcing the Hemp Amendments. The representative I spoke with was unable to answer my questions regarding what products I will be able to sell as of today, including whether the liquid non-THC hemp products, like 8 oz. CBD drinks, are permitted to be sold despite the FAQs guidance on liquid products containing a minimum of 12 ounces. Further, the representative could not provide me an answer when I asked whether water soluble products and tinctures are considered a liquid hemp product, as commonly, these products are sold in 1-ounce bottles and would not comply with the new requirement that liquid hemp products be sold in bottles that are 12 ounces at a minimum.
- 35. Further, based on my understanding that DHHS will not enforce the new laws for online sales of hemp products (because they are more difficult to track). Many out of state consumable hemp product manufacturers have told me that they will continue to sell hemp products, whether compliant or not, to Iowa from online sales. This means that customers will not shop my stores, or any other local businesses like mine, for products that are compliant because

they can purchase the products online without fear of prosecution. In short, this will drive business away from Iowa-based businesses, creating a "black market" of sorts of non-compliant products.

36. I declare under penalty of perjury that the foregoing is true and correct.

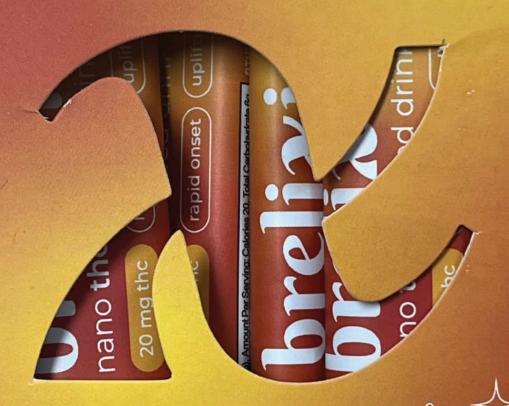
Executed this 8th day of July 2024.

Ashley Powell

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brelixithc

nano the infused drink mix



yuzu turmeric lemonade

20 mg thc

 $\left(\,$ rapid onset $\,
ight) \left(\,$ uplifting $^{\ddagger} \,$

CANNABIS-INFUSED DRINK MIX

5 - 0.32 OZ (9.1 G) PACKS , NET WT. 1.60 OZ (45 G)

Supplement Facts

Serving Size 1 Stick (9.1g) Servings Per Container 5 Sticks

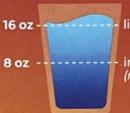
	Amount Per Serving	% Daily Value
Calories	20	
Total Carbohydrate	6 g	2%*
Total Sugars	5 g	••
Includes 4g Adde	ed Sugars	9%*
Magnesium (as magnesium oxide)	30 mg	7%
Zinc (as zinc citrate)	5 mg	45%
Sodium (as sodium citrate)	240 mg	10%
Potassium (as potassium citrate)	245 mg	5%
L-theanine	50 mg	**
5-HTP	15 mg	**
THC (delta-9-tetrahydroc	20 mg annabinol)	**

- Percent Daily Values are based on a 2,000 calorie diet.
- **Daily Value not established.

other ingredients: cane sugar, lemon juice, citric acid, organic turmeric, monk fruit extract, natural flavors, yuzu extract

how to use brelixi

- 1 pour full stick in ~ we recommend you mix your full stick of brelixi in 8 oz of water
- 2 customize flavor ~ tailor to your perfect taste: most prefer mixing with 8 oz water, but for a light flavor add more water:



light flavor

intense flavor (recommended)

3 know your dose ~ please start by drinking half of your glass, mug, or bottle; we always want you to achieve that perfect vibe & that means always knowing your dose

consume within 5 minutes for maximum effect



brelixi.com ♦ @brelixi

SCAN FOR LAB RESULTS:



WARNING: KEEP OUT OF THE REACH OF CHILDREN.

WARNING: PRODUCT CONTAINS HEMP-DERIVED THC AND MAY CAUSE A USER TO FAIL A DRUG TEST.

WARNING: PREGNANT OR NURSING SHOULD CONSULT A HEALTHCARE PROVIDER BEFORE USE.

MADE IN THE USA

MANUFACTURED FOR: ELIXI LLC. 49 5TH AVE #1104, BROOKLYN, NY 11217 (646) 626-6610









HOMETOWN HERO

50MG:50MG

THC:CBD PER BAG

Product Facts

10 servings per bag Serving Size: 1 Gummy (5mg Delta-9 THC)

Amount per Gummy Calories

10

Calories	
	% Daily Value*
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol Omg	0%
Sodium Omg	0%
Total Carbohydrate 3g	1%
Dietary Fiber 0g	0%
Total Sugars 3g	
Includes 3g Added Sugars	6%
Protein 0g	0%
Hemp Derived Delta-9 THC Distillate	e 5mg
Hemp Derived CBD Extract	5mg

"The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

Revel in the sweet citrus of blood orange in our artisancrafted gummies.

DERIVED FROM HEMP ORGANICALLY GROWN IN TEXAS. INFUSED FOR CONSISTENCY, BIOAVAILABILITY, & TASTE.



VETERANS





GMP CERTIFIED FACILITY



Directions: Everyone's endocannabinoid system is different. For the best experience, start with a small amount. Wait at least one hour before trying more.

Ingredients: Corn Syrup, Sugar, Water, Pectin, Natural Flavors, Citric Acid, Sodium Citrate, Hemp Derived Delta-9 THC Distillate, Hemp Derived CBD Extract, Organic MCT Coconut Oil, Natural Colors, Live Rosin Extract.

Warning: Keep out of reach of children/pets. Do not use if pregnant or nursing. May cause a positive drug test. This product has not been evaluated by the Food and Drug Administration. Not intended to diagnose, treat, or cure any conditions. Effects may vary.

CONTAINS LESS THAN 0.3% DELTA-9 THC. 2018 FARM BILL COMPLIANT.



@HometownHeroATX











Sky Marketing Corp. DBA HOMETOWN HERO 9501-B Menchaca Rd. Austin, TX 78748 • Support: (512) 551-0345 Store@HometownHero.com • www.HometownHero.com





100MG:100MG

THC:CBD PER BAG

Product Facts

20 servings per bag

Serving Size: 1/2 Gummy (5mg Delta-9 THC)

Calories	30
	% Daily Value*
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 0mg	0%
Total Carbohydrate 7g	3%
Dietary Fiber 0g	0%
Total Sugars 7g	
Includes 7g Added Sugars	14%
Protein 0g	0%
Hemp Derived Delta-9 THC Distillate	10mg
Hemp Derived CBD Extract	10mg
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"The % Daily Value (DV) tells you how much a nutrient in a serving of tood contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

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U.S.A.



FACILITY



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