

**EXHIBIT
B**

**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 REYNOLDS in her official
capacity, DIRECTOR OF IOWA
DEPARTMENT OF HEALTH AND HUMAN
SERVICES KELLY GARCIA in her official capacity,
COMMISSIONER OF IOWA DEPARTMENT
OF PUBLIC SAFETY STEPHAN BAYES in his
official capacity, and IOWA SECRETARY OF
AGRICULTURE MIKE NAIG in his official capacity,

Defendants.

SUPPLEMENTAL DECLARATION OF COREY COLEMAN

I, Corey Coleman, 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' Supplemental Brief in Support of Their Motion for Preliminary Injunction.

3. As I previously stated, I am the owner and operator of TCI Enterprises, Inc. d/b/a Sky High, which sells consumable hemp products ranging from gummies to popsicles and beverages.

4. To sell products in Iowa, Sky High has been required to upload all products to Iowa's DHHS Consumable Hemp Registration Portal ("portal") for the division's review and approval. Sky High has to register products both under its manufacturer license registration *and* its retailer license registration for DHHS.

5. Attached as Exhibit 1 is a true and correct copy of an example of what the portal would look like upon submission and approval of a product. *See* Exhibit 1.

6. After Plaintiffs' lawsuit was filed, I submitted a number of questions to DHHS regarding whether some of Sky High's new products would be legal under the new Hemp Amendments. *See* ECF No. 30-1, Exhibit A.

7. It is my understanding that DHHS has thirty (30) days to approve or deny new product submissions, but DHHS has also refused to respond to my questions regarding that process and how it will be handled when the regulations have not been promulgated because of the pending litigation. *See id.* In addition, the guide that DHHS links on its website for product upload is not functioning.

8. Despite the significant costs of doing so, Sky High manufactured new products that, based solely on its understanding of the Hemp Amendments and the FAQs issued by DHHS, would apparently be compliant with the Hemp Amendments and could be sold as of July 1, 2024 ("New Sky High Products"). The New Sky High Products, include ten types and/or flavors of edible products and four types and/or flavors of beverages. DHHS had approved 10 of these products for sale in Iowa prior to July 1, 2024. Ten out of the fourteen New Sky High Products had been entered

into Sky High's DHHS product portal list, but were removed as of July 1, 2024. While I was attempting to upload the remaining four New Sky High Products, the entire system reset and all of my products were removed (even those that had been approved).

9. Since July 1, 2024, the changes to the DHHS portal have made it difficult and confusing for Sky High to understand whether the DHHS has received any of Sky High's proposed new products or whether any existing products would be available for sale in Iowa under the new laws.

10. For example, when you try to see the "View Current Product List" page, the portal shows that "no products are pending or approved for this facility at this time."

11. However, you can request a manifest of uploaded products and it will show all the products that have been uploaded. Although, that manifest does not indicate whether the products have been approved. Included with this declaration is a screenshot of the requested manifest as of today's date. See Exhibit 2.

12. When Sky High attempted to upload all of its products to the DHHS portal for approval, the portal rejected the submission stating that Sky High was attempting to upload duplicative products. This was prior to Friday, July 11, 2024.

13. As of Friday, July 11, 2024, it appears that the DHHS portal *is* accepting new products, but, again, it is my understanding that the DHHS has 30 days to approve these products.

14. Moreover, as of July 11, 2024, Sky High's manifest still shows products that Sky High products that complied under the old law (laws prior to July 1, 2024) are still approved to be sold in Iowa.

15. In short, there is no clear indication of what products may be sold by Sky High in Iowa at this time.

16. Moreover, while many of Sky High's products appeared to have been rejected on its own DHHS portal, it appears that Sky High products have not been removed from some of our retail customers' DHHS portal.

17. At this time, Sky High's DHHS product portal (in comparison to the manifest noted above) shows that it has no approved products.

18. Sky High was never informed whether it would need to or be required to resubmit for approval products after July 1, 2024.

19. Additionally, the new laws contain phrases that do not have corresponding definitions for purposes of enforcement, including the words "container" and "serving."

20. By way of example, consumable hemp drinks are often sold in packs of four, held together by either plastic rings or in a box. It is unclear whether the law would define each individual can as a container or if the entire four-pack is considered a container.

21. The container issue is especially problematic for other products like gummies. Again, by way of example, Sky High's gummies are sold in blister packs. An example of what this product looks like is attached as Exhibit 3. To me, the new laws could be interpreted as each blister pack cavity is an individual container, as each gummy is individually sealed (like a medication one might receive from a doctor directing you to take one pill twice a day). So, if we scored the gummy into individual servings, it could be sold so that one gummy is one container and four servings.

22. Sky High is expecting to incur, in addition to what it has already incurred to create the New Sky High Products that Sky High is guessing are compliant based on the new

laws and proposed guidance issued by DHHS, tens of thousands of dollars in new packaging and labeling requirements, that are not even finalized at this time. These are up front costs that we incur to “guess” that the product is compliant before we submit it for approval to DHHS.


23. For example, altering manufacturing requirements will result in significantly increased costs. Under current regulations, it costs approximately \$2.88 for each package. With the new regulations, the cost will increase to \$4.95 for each package. Passing along this expense to customers increases the price of product by 172%.

24. In addition to lost revenue, Sky High will either have to expend additional resources on transport, storage, and sale outside of Iowa from its Wisconsin facility or lose significant amount of money already spent on manufacturing of previously compliant products. Specifically, Sky High has had to implement new operating procedures to transport goods to states that do not require Sky High to enter through the State of Iowa.

25. While we may be able to continue manufacturing our products in Wisconsin, the Hemp Amendments render our retail business in Iowa worthless because 98 percent of our sales are in the State of Iowa.

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

Executed this 15th day of July 2024.



Corey Coleman

EXHIBIT
1

SKU	Active	Brand Name	Product Name	Status	Pro...	Total ...	Total TH...	City ...	Stat...	Man...	COA
196852780075	Yes	Sky High	Full Spectrum Gummy-Tropical	Approved	Edible			Bloomer	WI	https://w...	https://skyhi...
195893476930	Yes	Sky High	Full Spectrum Gummy-Pineapple	Approved	Edible			Bloomer	WI	https://w...	https://skyhi...
195893387359	Yes	Sky High	Full Spectrum Gummy-Blue Razz	Approved	Edible			Bloomer	WI	https://w...	https://skyhi...
195893585151	Yes	Sky High	Full Spectrum Gummy- Watermelon	Approved	Edible			Bloomer	WI	https://w...	https://skyhi...

[Finish](#)

**EXHIBIT
2**

A	B	C	D	E	F	G	H	I	J	K	L
Active	Brand	SKU	Product Name	Product Form	Total THC	Total THC	City	Manu State	Manu	Manufact	COA
Yes	Sky High	860012192342	Sky Water- Double Berry Razz	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012193438	Sky Water- Grape	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012192335	Sky Water-Lemon Lime	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012192359	Sky Cooler-Peach Moscato	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012192373	Sky Cooler-Grapefruit Cranberry	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012185696	Skyology-Focus	Oral	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012192311	Skyology-Relax	Oral	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012185658	Skyology-Original	Oral	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012185603	Skyology- Active	Oral	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860009694859	Sky Cooler-Fuji Apple Pear	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012185634	Skysicle-Orange	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012185665	Skysicle-Tropical Punch	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860009694873	Skysicle-Cherry	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co
Yes	Sky High	860012185641	Skysicle-Blue Razz	Edible	4	4	MINNEAP	MN		https://w	https://drive.google.co

EXHIBIT
3





sky HIGH

SKYHIGHD9.COM

WARNING: Do not use product if pregnant, nursing, under 21, or legal age of consumption. May cause a positive drug test or intoxication. Keep out of reach of children and pets. These statements have not been evaluated by the FDA. This product is not intended to treat, cure, or prevent any disease.

Naturally derived from 100% legally grown hemp. Contains <0.3% Total THC and is in compliance with section 10113 of the 2018 Farm Bill.

SUPPLEMENT FACTS

Suggested Use: Consume 1 Gummy, wait at least 1 hour before taking another

10 Servings per container

Serving Size 1 Piece (3.75g)

Amount Per Serving	% Daily Value*
Calories	10
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 0mg	0%
Total Carbohydrate 3g	1%
Dietary Fiber 0g	0%
Total Sugars 2g	
Includes 2g Added Sugars	4%
Protein 0g	
CBD 20mg	†
THC 10mg	†

*Percent Daily Values are based on a 2,000 calorie diet.

INGREDIENTS: Sugar, Tapioca Syrup, Water, Pectin, Flavor, Citric Acid, Hemp Extract, Natural Coloring & Natural Flavoring



TSA COMPLIANT

EXP:12/23 LOT 5



SCAN ME