

7/27/2017

After the issues with people speaking on the phone, I opted to jump off, but would like to provide several additional comments:

- Maximum unit size; minimum requirements for font size and size of label (page 4)
  - Subsections 2 & 3:
    - I've made this comment previously, but believe that the plus/minus 15% is overly broad from a public safety perspective. I certainly understand that there is variability that will occur both in manufacturing, and also in lab testing. That said, +/- 15% gives a **30% potential swing** in dosing that may be experienced by a patient or consumer. By way of example, Oregon has a +/- 5% 'leeway,' which I believe is too restrictive given lab testing variability. Personally I would be in favor of seeing something closer to plus or minus 7.5% or 10%, and believe that +/- 10% is WELL WITHIN the bounds of reasonable for the industry, and +/- 7.5% is achievable.
    - As an alternative to the above, you may at a minimum want to add phraseology to the effect of, "...plus or minus 15%, or as may be subsequently mandated by the Department." This would at least give you the option to change this in the future.
  - Subsection 4:
    - Does this (8 point font size) apply to only pre-printed packaging, compliance labels, or both? I will call out that for small form factor products in common life (e.g., misc. toiletries) it is very common for font sizes to be smaller than 8 point for things like long lists of ingredients....
- Labeling requirements for marijuana and marijuana products for marijuana product manufacturing facilities (page 6)
  - Subsection 1, item (i)
    - Concentration is a PERCENT, not milligrams. Would suggest that it read, "The total THC concentration (in percent) and / or the total quantity of THC (in milligrams) as is appropriate for the product." The fact is that flower and concentrates / extracts should convey THC concentration (%), while for something like a suppository the % doesn't much matter, but the total mg per unit or per container matters tremendously.
- Advertising guidelines and campaigns (page 16)
  - Subsection 3(b)
    - Do you really want to enable advertising on motor vehicles used for private transportation? For instance, I could imagine someone starting a 'private tour company,' and putting ads on the sides of buses cruising up and down the Strip in Vegas.

Thank you for your consideration of the above, and for all the great work you're putting into this process!

If there's anything I can ever do to be of help / answer any questions, please don't hesitate to reach out.

Regards,  
Shane

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### 7/27/2017

Per your request, here are my written comments:

1. Section entitled "Non-Marijuana ingredients: approved sources" — Interpreted strictly, this would imply that a producer needs to go to the Department for approval of a source to buy something as simple as sugar... I don't believe this is the intent. I believe this can/should be cleaned up / clarified
2. Section entitled "Requirements for Date Marking" — Again, I believe this can/should be cleaned up / clarified. I believe this section is intended to apply to ingredients, not finished product. And I don't believe it is truly being suggested that a means of 'disposing' of potentially hazardous marijuana product is for it to be consumed onsite at the marijuana product manufacturing facility.

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### 7/25/2017

To Whom it May Concern,

Unless it is specifically addressed elsewhere in the contemplated regulations, it occurred to me after today's call that cash management from a transportation / distribution perspective is not spelled out. In addition to some sort of basic requirements for securing cash, traceability is a big issue for proper accounting. Specifically, cash needs to be maintained / designated specific to a given invoice that is being paid (not all lumped together). Per the IRS, "The general rule is that you must file **Form 8300**, Report of **Cash** Payments Over \$10,000 Received in a Trade or Business, if your business receives more than \$10,000 in **cash** from one buyer as a result of a single transaction or two or more related transactions." Per our accountant, who is one of the nations top cannabis accountants, this applies to any customer whose transactions over the course of a year exceed \$10,000 (almost all wholesale - retail relationships in this industry), and requires counting and logging of the specific number of \$100 bills, etc., received. For more detail, see link below.

[Form 8300 and Reporting Cash Payments of Over \\$10,000](#)

It would be great if some language could be added in the appropriate section of the proposed regs that articulates the requirement of cash being trackable / traceable to a specific customer and invoice.

Thank you,  
Shane

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