

# Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 09/12/2017

License #/Type: 10056 / Retail Marijuana Store

Licensee: Red Run Cannabis Company, LLC

Address: 5455 Kenai Spur Hwy. Ste.B, Kenai, AK

DBA: Red Run Cannabis Company, LLC

AMCO Case #: AB17-0408

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 08-31-2017 I conducted a walk-through at Red Run Cannabis Company, LLC retail marijuana store, license number 10056. While in the store I saw a large sign posted behind the sales counter with information on terpene health benefits. Information on the sign includes the statement, "Terpenes work together with THC, CBD and other cannabinoids to achieve specific health benefits." The sign lists various health benefits including anti-cancer, anti-diabetic, stress relief, anti-inflammatory, nausea relief, brain function, reduced appetite, pain relief, sedative and improved respiration.

This is a violation of 3 AAC 306.360(b)(3):

3AAC 306.360: Restriction on advertising of marijuana and marijuana products

(b) An advertisement for marijuana or a marijuana product may not contain a statement or illustration that

(3) represents that the use of marijuana has curative or therapeutic effects;

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

**IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.**

\*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:

Article # 7016 0910 0000 9694 4026







# TERPENE HEALTH BENEFITS



## WHAT ARE TERPENES?

Terpenes are a type of organic compound produced by plants. They give each strain of cannabis their unique smell and flavor. Terpenes work together with THC, CBD and other cannabinoids to achieve specific health benefits. This is known as the "entourage effect".



|    |                    |    |                |   |                |
|----|--------------------|----|----------------|---|----------------|
| aP | ALPHA-PINENE       | L  | LINALOOL       | h | ALPHA-HUMULENE |
| bP | BETA-PINENE        | LM | LIMONENE       | T | TERPINOLENE    |
| M  | MYRCENE            | D3 | DELTA-3-CARENE | E | EUCALYPTOL     |
| bC | BETA-CARYOPHYLLENE | C  | CAMPHENE       | B | BORNEOL        |
| aB | ALPHA-BISABOLOL    | G  | GERANIOL       | T | TERPINEOL      |

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PROTEST of NOTICE of VIOLATION  
REQUEST to APPEAR BEFORE the MARIJUANA CONTROL BOARD

9/25/2017

Marijuana Control Board  
ATTN: Enforcement  
550 @. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, AK 99501

Emailed to [AMCO.Enforcement@Alaska.gov](mailto:AMCO.Enforcement@Alaska.gov)

RE: Red Run Cannabis Company (Alleged-violation dated 8/31/2017)

Dear Friends:

Red Run Cannabis Company requests appearance before the Marijuana Control Board for the attached Notice of Violation. Attached also is a photo showing the spot on the wall where the offending poster used to be located; the poster will remain down.

The offending poster was not an "advertisement" under the common definition of that term. It was an information poster, at worst, and was taken down immediately (and, it will remain down). While the poster did offer statements that relate to cannabis's potential "curative or therapeutic effects," it is not in the form of an advertisement. Regardless, Red Run Cannabis Company always tries to err on the side of caution and to avoid contests with AMCO – thus, the poster was removed and will not be replaced.

Yours truly,

A handwritten signature in black ink, appearing to read 'Eric Derleth', written over a horizontal line.

Eric Derleth  
Attorney at law

Encls.