THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

ALCOHOL AND MARIJUANA CONTROL OFFICE

550 West 7th Ave, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO:	Chair Springer and Members of the Marijuana Control Board	DATE:	April 4, 2018
FROM:	Erika McConnell, Director	RE:	Lady Gray Gourmet Medibles #12254 Product Manufacturing Facility

The licensee contacted me on February 20, 2018, stating that testing of batches of two products, Sunny Day Granola and Orange Milk Chocolate Chip Cookies, showed that the batches were homogenous and free of microbials but approximately double the potency per serving. The licensee requested permission to adjust the serving size and retest to ensure the new servings are compliant.

I authorized retests of the new serving sizes (half of the previously approved serving sizes) but required that an MJ-15 operating plan change be filed to add the new serving sizes as options for these two products.

Attachments: Relevant emails
MJ-15

From: Tasha Grossl
To: McConnell, Erika B (CED)
Cc: Jana Weltzin; Christina Thibodeaux; Valerie Mastolier; Brian Coyle
Subject: URGENT PLEASE #1 of 4
Date: Tuesday, February 20, 2018 12:27:55 AM

My apologies for everyone CC'd, it kept coming back failed delivery so I'll have to add the attachments one at a time

Dear Ms. McConnell,

We are requesting your guidance concerning the serving size of our products based upon test results from Steep Hill. Two of our products, Sunny Day Granola and Orange Milk Chocolate Chip Cookies, have tested higher than anticipated as this is the first commercial batch produced by Lady Gray and we are hoping to alter the serving size to ensure the potency amounts are well below the required limits.

Steep Hill has confirmed that both these products, Sunny Day Granola and Orange Milk Chocolate Chip Cookies, are homogenous and have passed microbial but that the potency failed making the number of mgs of THC over the legal limit, therefore the serving sizes are too big. Because potency is determined after a batch has been tested (and therefore after a batch has actually been produced), Lady Gray can salvage both batches by simply adjusting the serving size on the package and retest the revised serving size to ensure the THC MGs are within the legal limits. With your approval and allowance, if we were to be able to reduce the serving size, we would be in compliance and salvage thousands of dollars in product. Please see the attached results from Steep Hill.

With actually halving the serving size of each of these products, we are still in full compliance and spirit of the regulations adhering to the serving size of 4mg-6mg each. Please see the attachments with the labels and the before and after pictures of what the products will look like by halving the serving size (for example the cookie before was one serving per cookie and now it would be cut down the middle and each cookie half would be made into 5mg servings). We have consulted with Steep Hill and they are aware and ready to retest these products upon approval of the serving size update from you.

Lady Gray is committed to transparency and abiding by State regulations in all that we do. It is our desire to be partners with the State of Alaska in this process ensuring quality products and consumer protection.

Thank you, we look forward to your guidance and thank you in advance for your attention and prompt as possible response to ensure the freshness of our product. We know you are extremely busy and appreciate your commitment to the health and safety of the public and furtherance of our new commercial MJ industry.

J. Tasha Grossl
Lady Gray, LLC

Lady Gray Medibles

2/16/2018

1A4020300004E85000000038	Δ9-THC (mg/g)	THCA mg/g	Serving Size (g)	Δ9-THC (mg/serving)	THCA (mg/serving)
SunnyD Granola-1	0.562	0.215	15.1	8.49	3.25
SunnyD Granola-2	0.597	0.229	15.2	9.07	3.48
SunnyD Granola-3	0.594	0.271	15.1	8.97	4.09
SunnyD Granola-4	0.598	0.265	15.1	9.03	4.00
SunnyD Granola-5	not analyzed				
SunnyD Granola-6	not analyzed				
SunnyD Granola-7	not analyzed				
SunnyD Granola-8	not analyzed				
Average	**0.59**	**0.25**	**15.13**	**8.89**	**3.71**

1A4020300004E85000000041	Δ9-THC (mg/g)	THCA mg/g	Serving Size (g)	Δ9-THC (mg/serving)	THCA (mg/serving)
OMC Cookies-1	0.665	0.198	16.5	10.97	3.27
OMC Cookies-2	0.627	0.197	17.5	10.97	3.45
OMC Cookies-3	0.566	0.174	19.1	10.81	3.32
OMC Cookies-4	0.569	0.229	18.1	10.30	4.14
Average	**0.607**	**0.200**	**17.80**	**10.76**	**3.55**

From:	McConnell, Erika B (CED)
To:	"Tasha Grossl"
Cc:	Hoelscher, James C (CED); Brian Coyle (brian.coyle@ak.steephill.com); Jana Weltzin
Subject:	RE: URGENT PLEASE #1 of 4
Date:	Friday, February 23, 2018 6:10:00 PM

Ms. Grossl,

My apologies for not responding when I said I would.

On the Orange Chocolate Chip Cookies, your two labels (previously approved and proposed updated) contain the same net weight. Your application states that you propose a 4 cookie package and a 10 cookie package. I can't tell which one your packaging is for. Obviously the 10 cookie package would be a problem.

By this email, I authorize you to retest the Orange Chocolate Chip Cookies with ½ cookie servings, but you may not package any for sale until we are more clear on the packaging issue next week. Also, to make this compliant with the regulations, I will need you to submit an MJ-15 (which I can temporarily approve) to add the new serving size as an option. We can discuss that next week.

For the Sunny Day Granola, I have a concern that neither staff nor the board caught during your application review. The granola packaging does not comply with 3 AAC 306.565(b)(2), which states that the packaging must "if the marijuana product contains multiple servings, be designed so that the marijuana product itself has markings or demarcations clearly delineating each serving of the product;" Your proposed packaging appears to have all the servings together with no markings or demarcations (which really can't be done with granola). I understand you provide the serving size on the packaging, but it is still non-compliant. This will need to be brought back to the board for review —and please note that I will be reviewing all approved products for all manufacturing licensees for this issue and bringing any non-compliant ones back to the board. I'm not picking on you.

I authorize a retest of the Sunny Day Granola with 1 Tablespoon servings, but you may not package any for sale. We will discuss further next week, but you will need to package the granola into single serving packages, and this will need to be part of the MJ-15.

Thank you,
Erika

Erika McConnell
Director
Alcohol & Marijuana Control Office
State of Alaska

From: Tasha Grossl [mailto:tasha@ladygraygrowing.com]
Sent: Friday, February 23, 2018 2:29 PM
To: McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>
Subject: Re: URGENT PLEASE #1 of 4

Item 8H

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-15: Operating Plan Change

What is this form?

This operating plan change form is required for all marijuana establishment licensees seeking to change a licensed marijuana establishment's existing operating plan, as required by 3 AAC 306.100. With this form, a licensee may request changes to as much or as little as desired of Form MJ-01 and/or the corresponding operating plan supplemental for the establishment's license type. **The required $250 change fee may be made by check, cashier's check, or money order.**

Please download, complete, and submit with this form **only the pages** of Form MJ-01 and/or the corresponding operating plan supplemental that contain sections that you are requesting to change. All fields that are left blank will be considered unchanged from the existing operating plan. All fields that are completed and submitted with this form will be considered as changes to the existing operating plan and are subject to board approval. **Please do not submit any wholly unchanged pages of an operating plan.**

The form(s) that I am requesting board approval to change is:

- ☐ **Form MJ-01:** Marijuana Establishment Operating Plan
- ☐ **Form MJ-03:** Retail Marijuana Store Operating Plan Supplemental
- ☐ **Form MJ-04:** Marijuana Cultivation Facility Operating Plan Supplemental
- ☑ **Form MJ-05:** Marijuana Product Manufacturing Facility Operating Plan Supplemental
- ☐ **Form MJ-06:** Marijuana Testing Facility Operating Plan Supplemental

This form must be completed and submitted to AMCO's main office prior to changing existing operations. The licensed establishment's operations may not be altered unless and until the director has given temporary approval or the Marijuana Control Board (MCB) has given final approval of the changes. Please note that licensees seeking to change operating plans for multiple licenses must submit a separate completed copy of this form for each license.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Lady Gray, LLC	**MJ License #:**		12254	
License Type:	Marijuana Product Manufacturing Facility				
Doing Business As:	Lady Gray Gourmet Medibles				
Premises Address:	36322 Pine Street, Suite 1				
City:	Soldotna	**State:**	Alaska	**ZIP:**	99669

Alaska Marijuana Control Board

Form MJ-15: Operating Plan Change

Section 2 – Summary of Changes

Provide a summary of the changes for which you are requesting approval.

We're adding a half cookie serving size to Orange Chocolate Cookies in addition to the originally approved full cookie serving size. Each half cookie serving will still contain 5mg THC. Cookies will be cut in half so consumers have a clear indication of serving size.

The packaging description of Sunny Day Granola is being revised so that each serving is individually packaged into a zippered pouch within the larger exit package instead of the multiple servings packaged into one mylar bag to be measured by the consumer.

Section 3 – Declarations

Read each statement below, and then sign your initials in the corresponding box to the right: Initials

The proposed changes conform to all applicable public health, fire, and safety laws. JTG

I understand that any temporary approval granted by the director is pending a final decision by the MCB; therefore, any investment I make, based upon temporary approval, is at my own risk. JTG

As a marijuana establishment licensee, I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Tasha Grossl

Printed name of licensee

Notary Public in and for the State of Alaska.

My commission expires: 07-15-21

OFFICIAL SEAL
WENDY AMEND
NOTARY PUBLIC-STATE OF ALASKA
My Comm. Expires July 15, 2021

Subscribed and sworn to before me this 5 day of March, 2018.

AMCO Director Review for Temporary Approval Pending Final MCB Decision: Approved ☑ Disapproved ☐

Erika McConnell
Printed name of Director

3/15/18
Date

Erika McConnell
Signature of Director

Director Comments:

Section 6 – Proposed Marijuana Concentrates and Marijuana Products

Review the requirements under 3 AAC 306.520, 3 AAC 306.525, and 3 AAC 306.560.
Attach a completed copy of this page for <u>each</u> proposed marijuana concentrate or marijuana product.

Product Name:	Orange!Chocolate!Chip Cookies		
Product Type:	Marijuana Edible Product		
Perishable: Yes/No	Yes	**Shelf Life:** If perishable.	3 months in freezer

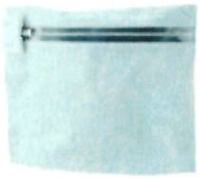
Product Description: Details must include the color, shape, and texture.	Chunky, round drop cookies with orange zest, milk chocolate chips throughout and light brown in color with dark brown chocolate chips.
Ingredients: This box is not applicable to marijuana concentrates.	INGREDIENTS: CANNABIS COCONUT OIL (ORGANIC COCONUT OIL, MARIJUANA, SUNFLOWER LECITHIN), ENRICHED BLEACHED FLOUR (WHEAT FLOUR, MALTED BARLEY FLOUR, NIACIN, IRON, THIAMINE, RIBOFLAVIN, FOLIC ACID), SUGAR, BROWN SUGAR, ORGANIC EGGS, ORANGE LIQUEUR, ORANGE ZEST, LESS THAN 2% OF: MILK CHOCOLATE (SUGAR, UNSWEETENED CHOCOLATE, WHOLE MILK POWDER, COCOA BUTTER, SOY LECITHIN (EMULSIFIER), VANILLA), BAKING SODA, SEA SALT
Standard Production Procedure and Detailed Manufacturing Process:	Ingredients will be blended together with an electric mixer until creamy and then scooped and baked. When cool, they will be packaged with appropriate labeling and then frozen.
Depiction: Provide a photograph, drawing, or graphic representation of the expected appearance of the final product.	  Cleanly Cut Cookie

Section 7 – Proposed Product Packaging and Sample Labels

Review the requirements under 3 AAC 306.520, 3 AAC 306.565, and 3 AAC 306.570.
Attach a completed copy of this page for <u>each</u> proposed marijuana concentrate or marijuana product.

Product Name:	Orange!Chocolate!Chip Cookies
Product Type:	Marijuana Edible Product

Packaging Description:
Details must include the color(s), size, packaging materials used, total amount of THC, individual serving sizes (if multiple), and other specifics showing compliance with 3 AAC 306.565. Please include photos, drawings, or graphic representations.



Cookies will be packaged in two size options (4 or 10 servings per package) and in a mylar exit bag that is child resistant, resealable, and freezer/food safe. The labeling will be printed on waterproof labels to retain integrity in the freezer. It meets ASTM D3475 (American Society for Testing and Material Child Resistant) standards. Two serving size package options will be available: 1/2 cookie servings and 1 whole cookie servings. Each serving will not exceed 5mg THC whether the serving is half of a cookie or a whole cookie.

For half cookie serving packages:
4 - half cookies at 5mg THC each = 20mg THC total per package

10 - half cookies at 5mg THC each = 50mg THC total per package

1/2 cookie (5mg THC) = 1 serving
Cookies will be cut in half as shown on previous page.

For whole cookie serving packages:
4 - cookies at 5mg THC each = 20mg THC total per package

10 - cookies at 5mg THC each = 50mg THC total per package

1 whole cookie (5mg THC) = 1 serving

Sample Labels:
Provide sample labels showing how the labeling requirements set forth in 3 AAC 306.570 will be met.

*See next page for label

FRONT AND BACK OF THE NEW LABELS FOR THE HALF COOKIE SERVINGS

Authentic Quality Ingredients

VEGAN - PALEO - DAIRY FREE - GLUTEN FREE - GRAIN FREE OPTIONS AVAILABLE

1 HALF COOKIE = 5MG THC

NATURALLY GROWN SUGAR CANDY & VANILLA KUSH

WE PROUDLY USE PERISHABLE INGREDIENTS! KEEP FROZEN BUT THAW AT ROOM TEMP TO ENJOY!

BEST BY:
XX XX

CONTAINS ALCOHOL (ORANGE LIQUEUR)

Orange Chocolate Chip Cookies

MADE WITH FRESH ORANGE ZEST

NET WT. 1.2 OZ (34G)

MADE WITH ORGANIC INGREDIENTS, FAIR TRADE AND LOCALLY SOURCED WHEN POSSIBLE

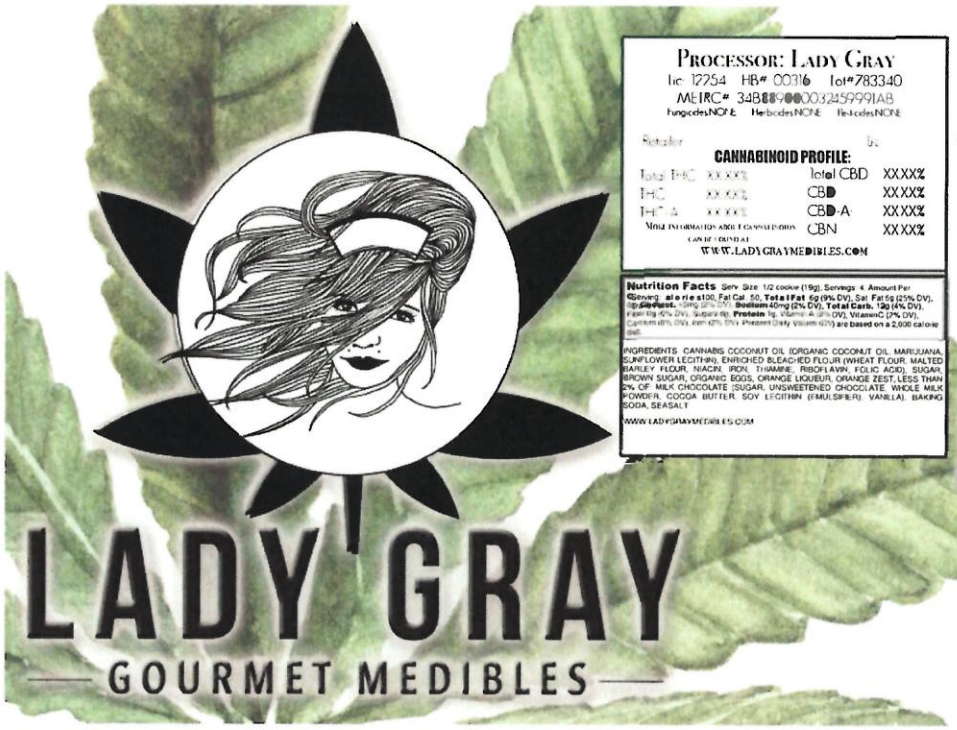
MARIJUANA HAS INTOXICATING EFFECTS AND MAY BE HABIT FORMING AND ADDICTIVE. MARIJUANA IMPAIRS CONCENTRATION, COORDINATION, AND JUDGEMENT. DO NOT OPERATE A VEHICLE OR MACHINERY UNDER ITS INFLUENCE. THERE ARE HEALTH RISKS ASSOCIATED WITH THE CONSUMPTION OF MARIJUANA. FOR USE ONLY BY ADULTS 21 AND OLDER. MARIJUANA SHOULD NOT BE USED BY WOMEN OR ARE PREGNANT OR BREAST FEEDING. KEEP OUT OF THE REACH OF CHILDREN.

Handcrafted in Small Batches with Love

Soldotna, Alaska

WWW . LADYGRAYMEDIBLES . COM

License #12254



Avoid Accidental Ingestion:

Keep your edibles inside this resealable/reusable childproof package. Most of our edibles are created to stay frozen (for up to 6 months) until ready to enjoy. This package is perfect for your freezer and protects from anyone accidentally ingesting cannabis, adults and children alike.

Start Low and Go Slow:

Your digestive system processes cannabis slowly, especially if you've already eaten a substantial meal. Remember that the THC in orally consumed cannabis will be metabolized by the liver into 11-hydroxy-THC and this form is twice as strong and will last twice as long as regular THC. One hour is a minimum wait time to feel the effects (starting with a minimum dose of 5-10mg), as it can sometimes take up to three hours, depending on your body.

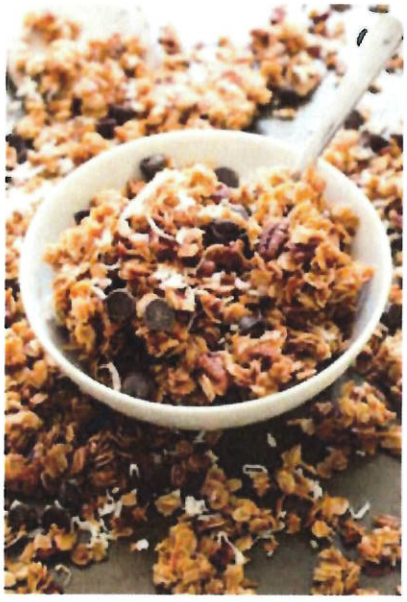
Do Not Drive or Operate Machinery:

Due to the slow nature edibles can take, 8 hours is recommended from the time you ingest cannabis to the time you drive so please plan your experience accordingly - Stay put or get a ride.

Section 6 – Proposed Marijuana Concentrates and Marijuana Products

Review the requirements under 3 AAC 306.520, 3 AAC 306.525, and 3 AAC 306.560.
Attach a completed copy of this page for <u>each</u> proposed marijuana concentrate or marijuana product.

Product Name:	Sunny Day Granola		
Product Type:	Marijuana Edible Product		
Perishable: Yes/No	Yes	**Shelf Life:** If perishable.	6 months in freezer

Product Description: Details must include the color, shape, and texture.	Loose granola mix including oats, nuts, coconut flakes and chocolate chips.
Ingredients: This box is not applicable to marijuana concentrates.	Oats, organic chocolate chips (organic sugar, organic coca mass, organic cocoa butter, organic vanilla), organic unsweetened coconut flakes, cannabis coconut oil (organic coconut oil, marijuana, sunflower lecithin), pecans, honey, maple syrup, walnuts, hemp hearts, sea salt, vanilla extract, cinnamon
Standard Production Procedure and Detailed Manufacturing Process:	Ingredients will be mixed together by hand in large mixing bowls and then baked in a commercial oven and cooled. Individual packaging will take place after complete cooling and granola will be weighed with kitchen scales for accuracy, then into appropriate bags with labels.
Depiction: Provide a photograph, drawing, or graphic representation of the expected appearance of the final product.	

Section 7 – Proposed Product Packaging and Sample Labels

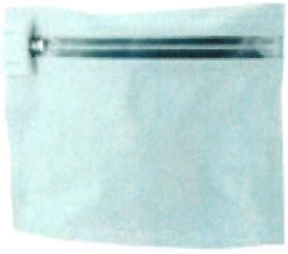
Review the requirements under 3 AAC 306.520, 3 AAC 306.565, and 3 AAC 306.570.
Attach a completed copy of this page for <u>each</u> proposed marijuana concentrate or marijuana product.

Product Name:	Sunny Day Granola
Product Type:	Marijuana Edible Product

Packaging Description:
Details must include the color(s), size, packaging materials used, total amount of THC, individual serving sizes (if multiple), and other specifics showing compliance with 3 AAC 306.565. Please include photos, drawings, or graphic representations.

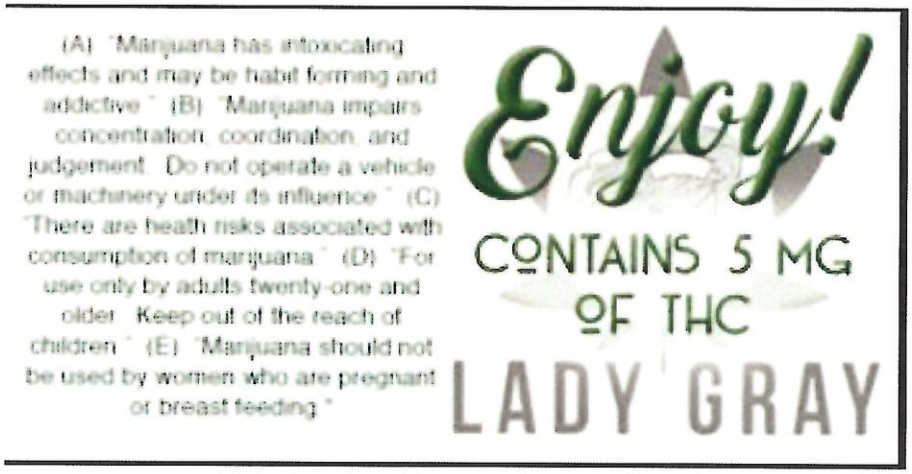
1 serving = 1 pouch (5mg THC)
Each serving will be hand weighed and individually packaged into small, clear plastic zipper pouches with a label affixed. Each individual serving pouch will then be packaged into a resealable, child-resistant, freezer and food safe exit bag with label affixed.

3 package options will be available:
8 servings = 40mg THC
4 servings = 20mg THC
2 servings = 10mg THC



Sample Labels:
Provide sample labels showing how the labeling requirements set forth in 3 AAC 306.570 will be met.

This label will be affixed to the small serving size pouch that is inside the exit bag. The exit bag labeling is on the following page.



Authentic Quality Ingredients

VEGAN - PALEO - DAIRY FREE - GLUTEN FREE - GRAIN FREE OPTIONS AVAILABLE

1 POUCH = 5MG THC

NATURALL GROWN SUGAR CANDY/VANILLA KUSH

THIS BAG CONTAINS 40MG

WE PROUDLY USE PERISHABLE INGREDIENTS! KEEP FROZEN UNTIL READY TO ENJOY! BEST BY: 09.01.18

ORGANIC UNSWEETENED COCONUT FLAKES

Sunny Day Granola

ORGANIC FAIR TRADE SOY FREE CHOCOLATE CHIPS

NET WT. 4.59 OZ (130G)

MADE WITH ORGANIC INGREDIENTS. FAIR TRADE AND LOCALLY SOURCED WHEN POSSIBLE

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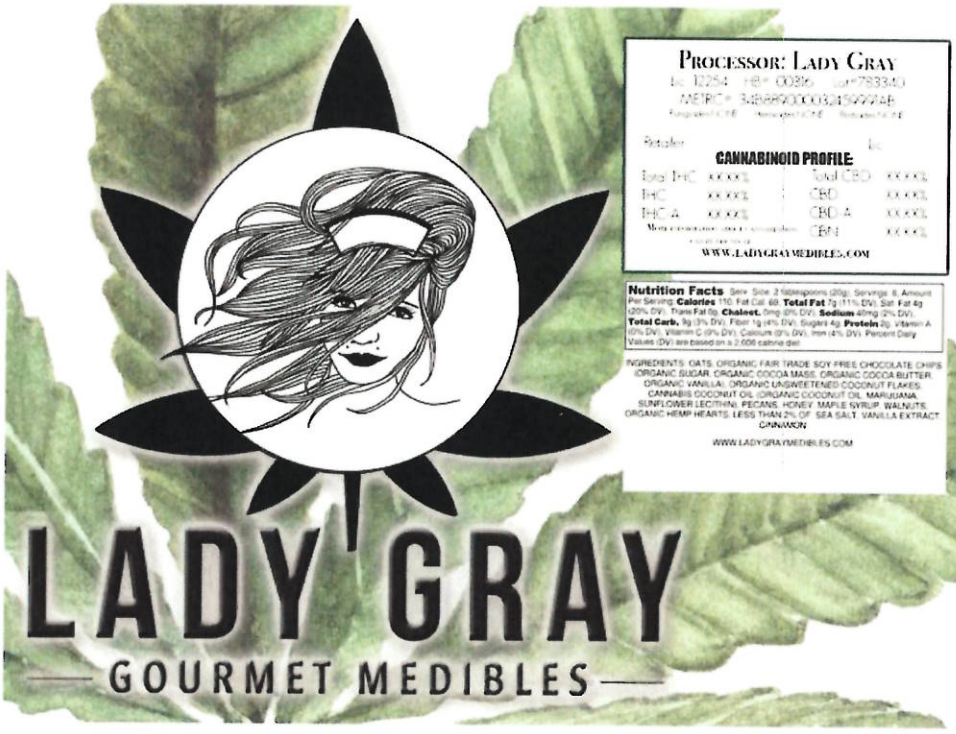
Soldotna, Alaska WWW . LADYGRAYMEDIBLES . COM License #12254



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