

**IN THE DISTRICT COURT OF
MADISON COUNTY, NEBRASKA**

THE STATE OF)	
NEBRASKA, ex rel.)	Case No. CI 24-
MICHAEL T. HILGERS,)	
Attorney General,)	
)	
Plaintiff,)	
)	
v.)	COMPLAINT
)	
SMOKIN' DEALS, LLC, a)	
Nebraska Limited)	
Liability Company)	
)	
Defendant.)	

COMES NOW, the State of Nebraska, by and through its Attorney General Michael T. Hilgers, and states:

1. Nebraska’s consumer protection statutes ensure that when Nebraskans purchase food or other products intended for human consumption, what they buy is properly labeled and ultimately safe to consume. Defendant Smokin’ Deals, LLC (“Smokin’ Deals”) distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells products containing tetrahydrocannabinol (THC) that fall woefully short on both accounts.
2. As outlined in greater detail below, the distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling of Smokin’ Deals’s THC-containing products violates Nebraska’s consumer protection laws.
3. Smokin’ Deals’s business model seeks to entice and ultimately ensnare Nebraska’s most vulnerable consumers: teenagers and children. Its motive is profit, and in seeking to

maximize its financial gains, Smokin' Deals has repeatedly misled the public about the substantial dangers of its THC-containing products. It has ignored the sweeping damage these products may cause to the health of Nebraska consumers. In doing so, Smokin' Deals engaged in, and continues to engage in, deceptive and harmful acts and practices which constitute unlawful conduct in violation of state law.

4. The State, by and through its Attorney General, asks this Court to enjoin Smokin' Deals's unlawful behavior, grant appropriate monetary relief for Smokin' Deals's numerous and repeated violations, and award any and all other relief warranted by law.

INTRODUCTION & BACKGROUND

5. "The public welfare outweighs the right to private gain . . . No man may poison the people for his private profit." — President Theodore Roosevelt, Special Message to Congress, (Jan. 22, 1909) available at *The American Presidency Project*, University of California Santa Barbara, <https://www.presidency.ucsb.edu/documents/special-message-368>.

6. Tetrahydrocannabinol (THC) is a chemical compound found in the plant *cannabis sativa L.*, more commonly known as "marijuana" or, under certain, limited circumstances, as "hemp."

7. THC is the chemical responsible for the intoxicating effect—the "high"—that is commonly associated with the consumption of marijuana. Consumption of THC can cause a variety of other, sometimes harmful, psychotropic and physiological effects.

8. Nebraska consumers, including some of the most vulnerable populations such as children, are being misled to believe the THC-containing products distributed, promoted, displayed for sale, offered for sale, attempted to be sold, and sold by Smokin' Deals are properly labeled and safe to consume.

9. The city of Norfolk has a population of roughly 26,000

residents serviced by only two Hy-Vee Grocery Stores, only one Walmart, and a single Walgreens Pharmacy. Yet, it has six THC-selling smoke shops.

10. The city of Norfolk is indicative of the wide-spread problem of an oversaturation of dangerous and insidiously misleading THC-selling smoke shops impacting Nebraska families.

11. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells a variety of THC-containing products including dried flower, distillates, edibles, and vapes, for example:



12. Smokin Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing products that mimic well-known, well-established, and generally safe-for-consumption food products.

13. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells look-alike THC-containing

products “likely to be appealing to young children.” *See* Attachment 1, ¶ 1.

14. Look-alike THC-containing products particularly appealing to young children are doubly problematic.
 - a. They increase the risk that children will mistake look-alike THC-containing products for the snack food or candy its packaging mimics, substantially increasing the likelihood of accidental consumption of THC-containing products by vulnerable children. *See* Attachment 1, ¶¶ 2 & 3.
 - b. They evince Smokin’ Deals’s intent to distribute, promote, display for sale, offer for sale, attempt to sell, and sell its unsafe, unregulated THC-containing products to children.

15. As the Federal Trade Commission (“FTC”) and the Food and Drug Administration (“FDA”) have indicated in a statement accompanying cease-and-desist letters jointly sent to companies that market and sell such look-alike branded THC products, “[m]arketing edible THC products that can be easily mistaken by children for regular foods is reckless and illegal.” Attachment 1, ¶ 4.

16. Look-alike THC-containing products also facilitate deception by children who may attempt to hide or misrepresent their consumption of intoxicating THC-containing products from their parents and other authority figures, such as school administrators or law enforcement officers.

17. Smokin’ Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing products with inaccurate descriptions and other misrepresentations as to the existence, quantity, and/or potency of the THC contained within their products whereby:

- a. The labels omit the nature and identification of the correct expression of THC (or its variants, equivalents, or analogues) the product contains.
- b. The labels fail to accurately disclose the quantity of the THC (or its variants, equivalents, or analogues) the

product contains.

- c. The labels do not reflect the likelihood of inducing intoxication or warn about potential psychotropic and physiological effects of consuming the product.

18. Nebraska consumers cannot predict, with any degree of certainty, the contents or potency of the THC-containing products manufactured, produced, imported, distributed, promoted, displayed for sale, offered for sale, attempted to be sold, and sold by Smokin' Deals prior to consumption.

19. Smokin' Deals's failures here prevent Nebraska consumers from being able to accurately assess whether the THC-containing products are safe or what psychoactive, physiological, or intoxicating effect they will produce when consumed.

20. Nebraska consumers' ability to make informed decisions regarding the consumption of these products is severely undermined as a result.

21. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing products involving synthetically-produced THC (or its synthetic variants, equivalents, or analogues).

22. This synthetically-produced THC (or its synthetic variants, equivalents, and analogues) is unregulated, untested, and, most importantly, unsafe.

23. The danger posed by products containing synthetically-produced THC (and its synthetic variants, equivalents, and analogues) is deadly serious.

24. Data from the FDA indicates that dozens of fatal overdoses and poisonings have been attributed directly to the consumption of products containing delta-8, a common form of synthetically produced THC. Attachment 1, ¶ 5.

25. "Between January 2021 and February 2022, U.S. poison control centers received 2,363 reports of negative exposures to [THC-containing] products. Many of these cases concerned unintentional ingestion . . . a disturbing 82% [of those unintentional

ingestions] involved children.” Attachment 1, ¶ 6.

26. Consuming as little as 2.5 milligrams of a THC-containing gummy can “exceed the toxicity threshold” for a 3-year-old child and send that child to the hospital. Attachment 1, ¶¶ 7 & 8.

27. Synthetically-produced THC is created via a complicated, unregulated manufacturing process that involves toxic, caustic, or otherwise dangerous chemical compounds and catalysts.

28. The process for manufacturing THC also produces many novel synthetic byproducts and compounds, many of which are so new that they do not even have formal scientific names.

29. These byproducts and compounds have not been tested for safety or efficacy and it would be “irresponsible to recommend these products for human consumption.” Attachment 1, ¶ 9.

30. Synthetically-produced THC (or its synthetic variants, equivalents, and analogues) has not been deemed safe by any Nebraska or federal regulatory body, nor has it been subject to scientific or medical testing that establishes its suitability for human consumption.

31. Indeed, even many States that have legalized or decriminalized recreational marijuana have nevertheless chosen to wholly prohibit the sale of synthetically-produced THC, including delta-8 THC.

32. Smokin’ Deals, by distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling their THC-containing products, has created an environment in which Nebraska consumers are engaged in a game of Russian Roulette: Smokin’ Deals’s product may attract consumption by children resulting in a hospital visit or a fatal poisoning; Smokin’ Deals’s products may be consumed by adults resulting in unintended or excessive intoxication, a hospital visit, or a poisoning; or, Smokin’ Deals’s products may be consumed and have no effect whatsoever.

33. Smokin’ Deals’s conduct creates a gravely serious threat of harm to Nebraska consumers, especially to Nebraska’s children.

34. For these reasons, and for the reasons outlined in greater detail below, Smokin' Deals's promotion, display for sale, offer for sale, attempt to sell, and sales of THC-containing products violates Nebraska's Consumer Protection Act, Neb. Rev. Stat. § 59-1601 *et seq.*, its codification of the Uniform Deceptive Trade Practices Act, § 87-301 *et. seq.*, and the Nebraska Pure Food Act, Neb. Rev. Stat. § 81-2,282 *et seq.*

PARTIES

35. The State of Nebraska, by and through its Attorney General and on behalf of all of Nebraska's citizens and consumers, is the Plaintiff in this action.

36. The Attorney General of Nebraska is Nebraska's Chief Law Enforcement Officer. The Attorney General is expressly authorized to enforce Nebraska's consumer protection laws, including both the Consumer Protection Act and the Uniform Deceptive Trade Practices Act. Neb. Rev. Stat. § 59-1608(1); 87-303.05(1). The Attorney General is also authorized, via exercise of the concurrent "powers and prerogatives" shared with Nebraska's County Attorneys, to initiate proceedings to remedy violations of the Pure Food Act. *See* Neb. Rev. Stat. § 84-204 (concurrent power); Neb. Rev. Stat. § 81-2,289(2) (Pure Food Act).

37. In addition to that express statutory authority, the Attorney General has standing to bring a legal action, in the name of the State, when the object of that action is a suit to vindicate the public interest. *See State ex rel. Meyer v. Peters*, 188 Neb. 817, 819-21, 199 N.W.2d 738, 739-41 (1972); *State v. Pacific Express Co.*, 80 Neb. 823, 115 N.W. 619, 620-23 (1908).

38. Defendant Smokin' Deals Shop is a limited liability company organized under the laws of the State of Nebraska. Its principal place of business is located at 101 W Norfolk Avenue, Norfolk, Nebraska 68701.

39. Smokin' Deals includes anyone acting on behalf of Smokin' Deals in a representative capacity, including but not

limited to directors, officers, members, employees, agents, staff, and other persons working for or on behalf of the foregoing.

JURISDICTION & VENUE

40. The District Court of Madison County has subject-matter jurisdiction pursuant to Neb. Rev. Stat. § 59-1608(1), Neb. Rev. Stat. § 87-303.05(1), and Neb. Rev. Stat. § 81-2,289(2).

41. This Court has personal jurisdiction over Smokin' Deals because, at all times relevant to this Complaint, Smokin' Deals is a Nebraska Limited Liability Company organized under the laws of Nebraska. Moreover, Smokin' Deals has conducted and continues to conduct retail operations in Nebraska, including at its Norfolk storefront in Madison County, where it has distributed, promoted, displayed for sale, offered for sale, attempted to sell, and sold THC-containing products to Nebraska consumers.

42. Venue for this action lies in this Court because Smokin' Deals transacts business in Madison County via its retail outlets located in Norfolk.

FACTS

43. The State of Nebraska re-alleges and expressly incorporates by reference all facts set forth in the preceding paragraphs as though fully set forth herein.

A. Background Regarding Cannabis & Cannabinoids

44. The cannabis plant contains hundreds of naturally occurring chemical compounds. Compounds that are uniquely found within cannabis are called cannabinoids. Attachment 1, ¶ 10.

45. Tetrahydrocannabinol (THC) and cannabidiol (CBD) are the two most well-known cannabinoids.

46. Live cannabis plants produce cannabinoids in a native acid form, most commonly tetrahydrocannabinolic acid (THCA) and

cannabidiolic acid (CBDA). These acids naturally react to heat, light, and other natural phenomena, causing them to degrade into other cannabinoids, such as the various expressions of THC.

Attachment 1, ¶ 11.

47. Adding additional heat—such as the fire used to ignite a marijuana cigarette or the heat of an oven used to produce a baked good—will accelerate the chemical degradation of THCA contained in cannabis plant material into the most well-known expression of THC, delta-9.

48. Delta-9 THC (also Δ 9-THC) is the expression of THC that is most commonly responsible for the intoxicating “high” associated with consumption, inhalation, or other ingestion of marijuana variants of the cannabis plant.

49. When THCA degrades into THC via application of heat, delta-9 THC is by far the most abundant expression of THC that is produced. Attachment 1, ¶ 12.

50. Another expression of THC, delta-8 (also Δ 8-THC), has been observed to exist in cannabis as the product of natural degradation of THCA, but only as a trace element in minuscule amounts and concentrations. Attachment 1, ¶¶ 13 & 14.

51. Producing commercially-viable quantities of delta-8 THC requires producers to engage in chemical synthesis involving caustic chemicals, reagents, and catalysts.

52. As the FDA has explained, “[t]he natural amount of delta-8 THC in hemp is very low, and additional chemicals are needed to convert other cannabinoids in hemp, like CBD, into delta-8 THC (i.e., synthetic conversion).” Attachment 1, ¶ 13.

53. The quantities of naturally-occurring delta-8 THC found in hemp are so low that extraction of commercially viable quantities is virtually impossible.

54. CBD and THC have related chemical structures but materially different pharmacological effects when ingested.

55. When consumed, inhaled, or otherwise ingested, CBD does not induce an intoxicating effect.

56. When consumed, inhaled, or otherwise ingested, THC induces intoxicating effects, including, in some individuals, delusions and hallucinations.

57. Because of the intoxicating effects of THC, both the federal government and Nebraska have long deemed cannabis a controlled substance and listed it, by its colloquial name “marihuana” or “marijuana,” on each of their respective Schedule I. Neb. Rev. Stat. § 28-405, sch. I (c)(8); 21 U.S.C. § 812, sch. I (c)(10); 21 C.F.R. § 1308.11(d)(23).

58. In recent years, both the federal government and Nebraska have legalized low-THC & THCA containing cannabis, colloquially referred to as “hemp.” *See* Pub. L. 115-334, 132 Stat 4490 *codified at* 7 U.S.C. §1639o (“Agriculture Improvement Act of 2018”); Neb. Rev. Stat. § 2-501 *et seq.* (“Nebraska Hemp Farming Act”).

59. The passage of the Agriculture Improvement Act of 2018 and Nebraska Hemp Farming Act permits the cultivation of and, at least in some circumstances, the extraction of cannabinoids from qualifying low-THC cannabis plants, aka “hemp.”

B. Synthetically Produced THC—Its Manner of Production & Dangerous Properties

60. Prior to the passage of the Agriculture Improvement Act of 2018 and Nebraska Hemp Farming Act, black market chemists began creating purely synthetically-produced THC variants, equivalents, and analogues that mimicked the intoxicating effects of THC. Attachment 1, ¶ 15.

61. When consumed, inhaled, or otherwise ingested, these synthetically-produced variants, equivalents, and analogues of THC often produce “serious side effects” including “rapid heart rate, vomiting, agitation, confusion, and hallucinations.” Attachment 1, ¶ 16.

62. Similarly serious side effects, such as “dyspnea, respiratory disorder[s], and seizure” have been linked to the

consumption of products containing synthetically-produced THC, such as delta-8 THC. Attachment 1, ¶ 5.

63. “The effects of synthetic cannabinoids can be unpredictable and severe or even life-threatening.” Attachment 1, ¶ 17.

64. “Because the chemical composition of many synthetic cannabinoid products is unknown and may change from batch to batch, these products are likely to contain substances that cause dramatically different effects than the user might expect.” Attachment 1, ¶ 18.

65. “[N]o known cannabis variety produces significant amounts of delta-8 THC, making extraction from plant material infeasible. [Therefore] delta-8 THC cannot be economically extracted from plant material.” Attachment 1, ¶¶ 19 & 20.

66. “[I]n order to produce one kilogram of natural Delta-8 extract, it would take approximately 55,000 kilograms of hemp and cost somewhere in the neighborhood of about \$500 million.” Attachment 1, ¶ 21.

67. Hemp, by definition, contains very low levels of THC and THCA (the precursor to THC). By contrast, hemp contains relatively abundant amounts of CBD and CBDA (the precursor to CBD).

68. CBD can be transformed, via various synthetic processes involving industrial grade-solvents, acids, and other caustic and toxic chemicals, into expressions of THC such as delta-8 THC. Attachment 1, ¶¶ 13 & 22.

69. For example, one common conversion process involves “refluxing CBD in an organic solvent, such as toluene or heptane, with p-toluenesulfonic acid or another acid that serves as a catalyst.” Attachment 1, ¶ 23.

70. Done haphazardly or improperly, the transformation of CBD into THC can leave behind residual byproducts that remain mixed in with the synthetically produced THC. Attachment 1, ¶¶ 9 & 24.

71. Thus, the process for manufacturing synthetically-produced THC, including delta-8 THC, can—and often does—leave behind “residuals of . . . toxic reagents” including “residual solvents, neutralizing bases, and heavy metals.” Attachment 1, ¶ 23.

72. These residual byproducts of the manufacturing process are unsafe for human consumption.

73. Even when these reagents, catalysts, and other toxic chemicals are successfully removed by manufacturers who utilize proper quality controls, synthetically-produced THC itself raises safety concerns.

74. Most synthetically-produced THC compounds “are not found in nature and have not been tested for safety or efficacy;” their “toxicity [is] unknown.” Attachment 1, ¶ 9.

75. Products containing synthetically-produced THC, such as delta-8 THC, have “not been evaluated or approved by the FDA for safe use in any context.” Attachment 1, ¶ 13.

76. From January 2021 through February 2022, consumption of or exposure to products containing delta-8 THC resulted in thousands of adverse health events reported to national poison control centers; 70% of those exposures required the affected individual to be evaluated at a health care facility. Attachment 1, ¶ 13.

77. Over a similar time period (beginning in June 2021), the Food and Drug Administration’s (FDA) Adverse Event Reporting System (FAERS) database had logged 183 reports for adverse events—including 33 fatalities—that were directly attributed to the consumption of products containing delta-8 THC or similar synthetically-produced forms of THC. Attachment 1, ¶ 5.

78. Although the exact toxicity threshold for any individual varies—some people have higher tolerances than others—the dangers posed by the consumption of THC-containing products is particularly acute with respect to children. Attachment 1, ¶ 27.

79. Smokin’ Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing edibles

that are labeled as containing nearly 500 milligrams of THC, approximately 200 times the amount needed to send children to the hospital.

80. Thus, consumption of even a tiny fraction of a gummy marketed and sold by Smokin' Deals could send a Nebraska child to the hospital.

81. Vaping devices, also known as electronic nicotine delivery systems, ENDS, e-cigarettes, or vapes, have supplanted cigarettes as the most common way American teenagers smoke or otherwise inhale substances with an intoxicating effect. Attachment 1, ¶ 28.

82. "Vaping products [have] emerg[ed] as the tool of choice for teenagers both nationally and in Nebraska." Attachment 1, ¶ 29.

83. Data from the CDC indicates that as many as 14% of American high school age teenagers and 3.3% of middle school aged children and teens—more than 2.5 million kids—routinely use vaping devices. Nearly half of the high school aged teens who reported vaping device use reported that their use was "frequent," while 30% indicated their use was "daily." Attachment 1, ¶ 30.

84. Vaping is a dangerous, unhealthy activity and is especially harmful to children. Attachment 1, ¶ 31.

85. Although originally designed as a nicotine delivery system, vaping devices can contain synthetically produced THC such as delta-8 THC or another synthetic variant, equivalent, or analogue of THC. Attachment 1, ¶¶ 30 & 32.

86. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells vapes containing or purporting to contain synthetically-produced THC or a synthetic variant, equivalent, or analogue of THC.

C. THC-Containing Products Marketed and Sold by Smokin' Deals

87. Smokin' Deals is a limited liability company organized under the laws of Nebraska.

88. Smokin' Deals maintains its principal place of business at 101 W Norfolk Avenue, Norfolk, Nebraska 68701.

89. Smokin' Deals maintains a retail storefront at its principal place of business.

90. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells a variety of THC-containing products including, but not limited to, dried flower, distillates, edibles, pre-rolls, and vapes.

91. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing products using imagery or depictions of objects, persons, animals, creatures, or similar caricatures with comically exaggerated features, anthropomorphic attributes, and/or unnatural or extra-human abilities, such as:

- a. **Double Stacked Bites Strawberry Lemonade** with the image of a melting smiley face and a blue-lipped smiling face chewing the product.



- b. **Double Stacked Bites Strawberry Lemonade** with the image of a melting smiley face and a blue-lipped smiling face chewing the product.



92. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing products, the labels and packaging of which inaccurately describes or otherwise misrepresents the products' compliance with the Nebraska Hemp Farming Act, Neb. Rev. Stat. §2-503, et seq., such as:

- a. **VOODOO LABS – Snow Balls**, a flower product which that contains a Δ^9 -THC concentration of 1.48% (14.8 mg

per gram), which is higher than the statutory limit for hemp of 0.3% Δ 9-THC.

- b. **Extrax – Sweet Tooth**, a disposable vape oil that contains a Δ 9-THC concentration of 1.28% (12.8 mg per gram), which is higher than the statutory limit for hemp of 0.3% Δ 9-THC.
- c. **Flying Horse All Diamond Blend Watermelon**, a smokable pre-roll that contains a Δ 9-THC concentration of 0.409% (5.94 mg per gram), which is higher than the statutory limit for hemp of 0.3% Δ 9-THC.
- d. **Flying Horse All Diamond Blend Blue Dream**, a smokable pre-roll that contains a Δ 9-THC concentration of 0.710% (11.2 mg per gram), which is higher than the statutory limit for hemp of 0.3% Δ 9-THC.
- e. **STONED THCA Pre-roll Runtz Hybrid**, a smokable pre-roll that contains a Δ 9-THC concentration of 0.344% (3.44 mg per gram), which is higher than the statutory limit for hemp of 0.3% Δ 9-THC.

93. Smokin' Deals distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells THC-containing products, the labels and packaging of which inaccurately describe or otherwise misrepresent the existence, quantity, or potency of THC contained within the product such as:

- a. **Caramel Soft Candy**, an edible product that is in a clear plastic wrapper with no information included.
- b. **Trip Drip Twisted Gummies**, an edible gummies product labelled as containing Δ 11-THC, PHC, THC-P, THC-D, THC-B and THC-X, which in addition to not containing Δ 11-THC, PHC, THC-P, THC-D, THC-B and THC-X, instead contains Δ 9-THC, Δ 8-THC, THC-V and exo-THC.
- c. **Double Stacked Bites Strawberry Lemonade**, an edible gummies product labelled as containing THC-B and THC-P, which in addition to not containing THC-B

and THC-P, instead contains Δ 9-THC, Δ 8-THC, THC-V, CBD and exo-THC.

- d. **Double Stacked Bites Blueberry Lime**, an edible gummies product labelled as containing THC-B and THC-P, which in addition to not containing THC-B and THC-P, instead contains Δ 9-THC, Δ 8-THC, THC-V and exo-THC.

94. Smokin' Deals distributed, promoted, displayed for sale, offered for sale, attempted to sell, and sold THC-containing products containing synthetically-produced THC (or its synthetic variants, equivalents, or analogues) without disclosing to the consumer that the THC in the THC-containing product was synthetically produced.

95. Smokin' Deals does not display any noted requirement near the register of the necessity of any minimum age or proof of identification for the purchase of any THC-containing products.

96. Smokin' Deals does not require a display of identification in order to complete a purchase transaction.

97. Smokin' Deals has distributed, promoted, displayed for sale, offered for sale, attempted to sell, and sold THC-containing products with a reckless disregard for the safety of Nebraskans, especially children.

98. Smokin' Deals has engaged in other specific marketing and promotional behavior that evinces its intent to make its THC-containing products attractive to, and thereby solicit purchases from, minor children.

99. Smokin' Deals has marketed and offered for sale THC-containing products with a reckless disregard for the safety of the customers, including minor children, to whom it sells its products.

100. Smokin' Deals has marketed and offered for sale THC-containing products with a reckless disregard for the safety of Nebraskans, including minor children, for whom it is foreseeable that, due to the look-alike nature of those products' branding and packaging, will accidentally consume those THC-containing products.

**COUNTS I THROUGH VII:
VIOLATIONS OF THE
CONSUMER PROTECTION ACT
NEB. REV. STAT. §§ 59-1601 *et seq.*
(UNFAIRNESS)**

101. The State of Nebraska re-alleges and expressly incorporates by reference all facts set forth in the preceding paragraphs as though fully set forth herein.

102. The Consumer Protection Act, Neb. Rev. Stat. § 59-1602, prohibits “unfair ... acts or practices in the conduct of any trade or commerce.”

103. An act or a practice is unfair if that act or practice is offensive to public policy, immoral, unethical, oppressive, unscrupulous, or causes substantial injury to consumers.

104. Smokin’ Deals is a “person” within the meaning of the Consumer Protection Act, Neb. Rev. Stat. § 59-1601(1).

105. Smokin’ Deals conducts “trade and commerce” within the meaning of the Consumer Protection Act, Neb. Rev. Stat. § 59-1601(2).

106. Smokin’ Deals engaged in unfair acts or practices in the conduct of trade or commerce in violation of Neb. Rev. Stat. § 59-1602 by, without limitation:

- a. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products in retail sale without consideration for age restriction or youth buyers.
- b. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale in consumable products that are similar to food products that are regularly marketed towards children.
- c. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that are likely to attract consumption by children.

- d. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that contain THC (or its variants, equivalents, or analogues) that are not disclosed on the packaging.
- e. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that contain THC (or its variants, equivalents, or analogues) at concentrations that are not disclosed on the packaging.
- f. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that do not contain THC (or its variants, equivalents, or analogues) at concentrations that are disclosed on the packaging.
- g. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that contain extremely high THC concentrations (or high concentrations of its variants, equivalents, or analogues) that are likely to be consumed at levels that are harmful to consumers, particularly to children.

107. Smokin' Deals knows that its THC-containing products should not be consumed by children, yet it openly distributes, promotes, displays for sale, offers for sale, attempts to sell, and sells its THC-containing products in a manner that is likely to encourage children to purchase, consume, or acquire those products, in flagrant disregard of the immoral, unethical, and unscrupulous implications of its behavior and the injury to its customers.

108. Smokin' Deals has caused injury to Nebraska consumers, especially to Nebraska's children.

109. Smokin' Deals's actions constitute unfair acts or practices in the conduct of trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every promotion, display for sale, offer for sale,

attempt to sell, and sale of applicable THC-containing product constitutes a separate and independent violation of the Consumer Protection Act which should be enjoined and for which the State of Nebraska is entitled to recover civil penalties pursuant to Neb. Rev. Stat. § 59-1614.

**COUNT VIII THROUGH XI:
VIOLATION OF THE
CONSUMER PROTECTION ACT
NEB. REV. STAT. §§ 59-1601 *et seq.*
(DECEPTION)**

110. The State of Nebraska re-alleges and expressly incorporates by reference all facts set forth in the preceding paragraphs as though fully set forth herein.

111. The Consumer Protection Act, Neb. Rev. Stat. § 59-1602, prohibits “deceptive acts or practices in the conduct of any trade or commerce.”

112. An act or a practice is deceptive if the act or practice possessed the tendency or capacity to mislead or created the likelihood of deception.

113. Smokin’ Deals is a “person” within the meaning of the Consumer Protection Act, Neb. Rev. Stat. § 59-1601(1).

114. Smokin’ Deals conducts “trade and commerce” within the meaning of the Consumer Protection Act, Neb. Rev. Stat. § 59-1601(2).

115. Smokin’ Deals engaged in deceptive acts or practices in the conduct of trade or commerce in violation of Neb. Rev. Stat. § 59-1602 by, without limitation:

- a. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale in consumable products that are similar to food products that are regularly marketed towards children.
- b. Distributing, promoting, displaying for sale, offering for

sale, attempting to sell, and selling THC-containing products at retail sale that contain THC (or its variants, equivalents, or analogues) that are not disclosed on the packaging.

- c. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that contain THC (or its variants, equivalents, or analogues) at concentrations that are not disclosed on the packaging
- d. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that do not contain THC (or its variants, equivalents, or analogues) at concentrations that are disclosed on the packaging.

116. Smokin' Deals's actions constitute deceptive acts or practices in the conduct of any trade or commerce in violation of Neb. Rev. Stat. § 59-1602. Each and every promotion, display for sale, offer for sale, attempt to sell, and sale of applicable THC-containing product constitutes a separate and independent violation of the Consumer Protection Act which should be enjoined and for which the State of Nebraska is entitled to recover civil penalties pursuant to Neb. Rev. Stat. § 59-1614.

**COUNTS XII THROUGH XV:
VIOLATION OF THE
UNIFORM DECEPTIVE TRADE PRACTICES ACT
NEB. REV. STAT. §§ 87-302(a)(3), (5), (6)**

117. The State of Nebraska re-alleges and expressly incorporates by reference all facts set forth in the preceding paragraphs as though fully set forth herein.

118. Section 87-302(a) of the Uniform Deceptive Trade Practices Act specifies multiple practices that, when conducted in the course of business, constitute prohibited deceptive trade practices, including but not limited to:

- a. Causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another. Neb. Rev. Stat. § 87-302(a)(3).
- b. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have. Neb. Rev. Stat. § 87-302(a)(5).
- c. Representing that goods or services do not have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they have. Neb. Rev. Stat. § 87-302(a)(6).

119. Smokin' Deals is a "person" within the meaning of the Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301(19).

120. Smokin' Deals is acting "in the course of [its] business" within the meaning of the Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-302(a).

121. In the course of its business, Smokin' Deals engaged in deceptive acts or practices in the conduct of their business in violation of Neb. Rev. Stat. § 87-302(a)(3) by, without limitation:

- a. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale in consumable products that are similar to food products that are regularly marketed towards children.

122. In the course of its business, Smokin' Deals engaged in deceptive acts or practices in the conduct of their business in violation of Neb. Rev. Stat. § 87-302(a)(5) by, without limitation:

- a. distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that do not contain THC (or its variants, equivalents, or analogues) at concentrations that are disclosed on the packaging.

123. In the course of its business, Smokin' Deals engaged in

deceptive acts or practices in the conduct of their business in violation of Neb. Rev. Stat. § 87-302(a)(6) by, without limitation:

- a. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that contain THC (or its variants, equivalents, or analogues) that are not disclosed on the packaging.
- b. Distributing, promoting, displaying for sale, offering for sale, attempting to sell, and selling THC-containing products at retail sale that contain THC (or its variants, equivalents, or analogues) at concentrations that are not disclosed on the packaging.

124. As described above and without limitation, Smokin' Deals's actions in this Complaint constitute deceptive trade practices pursuant to Neb. Rev. Stat. §§ 87-302(a)(3), (5), (6). Each and every promotion, display for sale, offer for sale, attempt to sell, and sale of applicable THC-containing product constitutes a separate and independent violation of the Uniform Deceptive Trade Practices Act which should be enjoined and for which the State of Nebraska is entitled to recover civil penalties pursuant to Neb. Rev. Stat. § 87-303.11.

**COUNT XVI THROUGH XVIII:
VIOLATION OF THE
NEBRASKA PURE FOOD ACT
NEB. REV. STAT. §§ 81-2,282 *et seq.***

125. The State of Nebraska re-alleges and expressly incorporates by reference all facts set forth in the preceding paragraphs as though fully set forth herein.

126. The Nebraska Pure Food Act, Neb. Rev. Stat. § 81-2,282, makes it unlawful for “any person to adulterate any food or for any person to manufacture, distribute, offer for sale, or sell any adulterated food.”

127. Food is considered adulterated if, *inter alia*, it “bears or contains any substance which may render it injurious to health, considering the quantity of such substance in or on the food.” Neb. Rev. Stat. § 81-2,282(2)(a).

128. The Nebraska Pure Food Act, Neb. Rev. Stat. § 81-2,283, makes it unlawful for “any person to misbrand any food or distribute, offer for sale, or sell any misbranded food.”

129. Food is considered misbranded if “[i]t does not bear labeling clearly stating (i) the identity of the food in terms likely to be easily and accurately understood by the consumer, (ii) the net quantity of contents of the food in terms authorized under the Weights and Measures Act, and (iii) the name and address of the manufacturer, distributor, or seller of the food” or “[i]t’s labeling is false or misleading in any manner.” Neb. Rev. Stat. § 81-2,283(2)(a) & (b).

130. Smokin’ Deals is a “person” within the meaning of the Nebraska Pure Food Act.

131. In the course of its business, Smokin’ Deals distributed, offered for sale, and sold adulterated food products within the meaning of the Nebraska Pure Food Act by, without limitation:

- a. Distributing, offering for sale, and selling food products that were adulterated with THC (or its variants, equivalents, or analogues) in quantities known to be injurious to human health.

132. In the course of its business, Smokin’ Deals misbranded food products and distributed, offered for sale and sold misbranded food products within the meaning of the Nebraska Pure Food Act by, without limitation:

- a. Misbranding food products, and distributing, offering for sale, and selling food products at retail sale that contain THC (or its variants, equivalents, or analogues) at concentrations that are not disclosed on the packaging.
- b. Misbranding food products, and distributing, offering for sale, and selling food products at retail sale that contain

THC (or its variants, equivalents, or analogues) at different concentrations than are listed on the packaging or include THC variants, equivalents, or analogues that are not disclosed on the packaging at all.

133. As described above and without limitation, Smokin' Deals's actions in this Complaint constitute violations of the Nebraska Pure Food Act which should be enjoined.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff State of Nebraska respectfully requests that this Court:

- A. Find that Smokin' Deals engaged in unfair acts or practices in the conduct of trade or commerce, in violation of Neb. Rev. Stat. § 59-1602;
- B. Find that Smokin' Deals engaged in deceptive acts or practices in the conduct of trade or commerce, in violation of Neb. Rev. Stat. § 59-1602;
- C. Order Smokin' Deals to pay civil penalties of not more than two thousand dollars (\$2,000.00) per each separate and individual violation of the Consumer Protection Act, pursuant to Neb. Rev. Stat. § 59-1614.
- D. Find that Smokin' Deals engaged in unlawful deceptive trade practices in the course of doing business in violation of Neb. Rev. Stat. § 87-302(a)(3), (5), and (6);
- E. Order Smokin' Deals to pay civil penalties of not more than two thousand dollars (\$2,000.00) for each separate and individual violation of the Uniform Deceptive Trade Practices Act, pursuant to Neb. Rev. Stat. § 87-303.11;
- F. Find that Smokin' Deals engaged in deceptive and unlawful acts, practices, or other behaviors in violation of Neb. Rev. Stat. §§ 81-2,282 to 81-2,290;
- G. Permanently enjoin and restrain Smokin' Deals and its agents, employees, and all other persons and entities, corporate or otherwise, including any person in active concert or

participation with any of the foregoing, from engaging in the unfair, deceptive, misleading, and unconscionable conduct, acts, and practices alleged in this Complaint to be in violation of the Consumer Protection Act, the Uniform Deceptive Trade Practices Act, and Pure Food Act pursuant to Neb. Rev. Stat. §§ 59-1608(1), 87-303.05(1), 81-2,290(2);

- H. Permanently enjoin and restrain Smokin' Deals, and its agents, employees, and all other persons and entities, corporate or otherwise, including any person in active concert or participation with any of the foregoing, from violating the Consumer Protection Act, the Uniform Deceptive Trade Practices Act, the Pure Food Act, and any amendments thereto;
- I. Permanently enjoin and restrain Smokin' Deals, and its agents, employees, and all other persons and entities, corporate or otherwise, including any person in active concert or participation with any of the foregoing, from engaging in any other business conducted in the State of Nebraska until Smokin' Deals, and any parties subject to the injunction, hereby ordered has complied with any and all orders resulting from this action.
- J. Order Smokin' Deals to pay all costs and reasonable attorneys' fees for the investigation and prosecution of this action, pursuant to Neb. Rev. Stat. §§ 59-1608 and 87-303(b); and,
- K. Grant any such further relief as this Court may deem equitable, just, and appropriate under the law.

Respectfully submitted this 3rd day of September, 2024.

**STATE OF NEBRASKA ex rel.
MICHAEL T. HILGERS, Attorney
General, Plaintiff.**

BY: MICHAEL T. HILGERS, #24483
Nebraska Attorney General

BY: /s/ Justin Hall
Justin J. Hall, # 26161
Jennifer A. Huxoll, #20406
Joshua E. Dethlefsen, #24667
Daniel J. Muelleman, # 25806
Joseph W. McKechnie, #27894
Assistant Attorneys General

OFFICE OF THE ATTORNEY GENERAL
2115 State Capitol
Lincoln, Nebraska 68509-8920
Telephone: (402) 471-1921
Telephone: (402) 471-1833
justin.hall@nebraska.gov
jennifer.huxoll@nebraska.gov
Joshua.dethlefsen@nebraska.gov
daniel.muelleman@nebraska.gov
joseph.mckechnie@nebraska.gov

Attorneys for Plaintiff

ATTACHMENT 1

1. See Colleen Tressler, *Government warns sellers of edible cannabis: Stop using packaging that mimics food popular with kids*, Federal Trade Commission (Consumer Advice) (July 5, 2023), <https://perma.cc/TQC7-GBKF>.
2. See Berkeley Lovelace Jr, *Reports of young children accidentally eating marijuana edibles soar*, NBC News (Jan. 3 2023), <https://perma.cc/R9V6-DPQ5>.
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5. T. Simon, J. Simon, et al., *Delta-8, a Cannabis-Derived Tetrahydrocannabinol Isomer: Evaluating Case Report Data in the Food and Drug Administration Adverse Event Reporting System (FAERS) Database*, National Library of Medicine (Jan. 2023), <https://perma.cc/G76J-JSL3>.
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16. Centers for Disease Control, *Synthetic Cannabinoids: What Are They? What Are Their Effects* (April 2022), <https://perma.cc/7CWG-RD95>.
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