

The Oregon Liquor Control Commission is seeking your cooperation and assistance to protect consumer health and safety and ensure continued consumer confidence in Oregon's regulated cannabis marketplace.

You are receiving this email as a representative of license number xxxxx because a current or former employee of your license purchased Viscosity, a diluent manufactured by True Terpenes, prior to November 2019.

The OLCC has conducted audit testing under OAR 845-025-5760 and determined that the non-cannabis diluent "Viscosity," manufactured and distributed by True Terpenes, contains undisclosed ingredients – namely, squalene, squalane, and olive extract. True Terpenes has confirmed that these were the sole ingredients of all Viscosity produced prior to November 2019. Squalene is a "botanically-derived terpene" that can be derived from olives; squalane is the hydrogenated version of squalene.

OLCC has recently received evidence that, when exposed to heat, squalene and squalane produce harmful chemicals. It is also documented that inhaling squalene can cause exogenous lipoid pneumonia. Initial evidence about these additives also suggests a potential for consumer harm similar to that already proven about Vitamin E Acetate.

The fact that Viscosity was purchased by an employee of your license indicates that Viscosity containing one of these ingredients may have been used in a commercially available product. To be clear: we are not saying that licensees knew that Viscosity contained squalene or squalane, but any use of Viscosity without proper disclosure would constitute, at minimum, a labeling violation that may result in civil penalties.

Our immediate concern is ensuring that no affected products are available to consumers or are sold from this point forward. There will be additional follow-up beginning next week, but for now we are requesting that your license takes the following actions:

- 1) If you used the old formulation of Viscosity (purchased prior to November 2019) in any marijuana items that are still in the market, **immediately remove those products from store shelves** and segregate them from all other inventory.
- 2) **Respond to this email by 4:00 PM tomorrow (Wednesday, November 25)**, with one of two replies:
 - If items are being pulled from retailer shelves, state what items are being pulled and from which retailers.
 - If no items are being pulled from retailer shelves, reply to this email confirming that you have received the email and that no items are being pulled.
- 3) Any marijuana items containing the old formulation of Viscosity, or bottles of Viscosity itself, that you possess should be retained and should not be destroyed.
- 4) Prepare all documentation related to the purchase and use of the old formulation of Viscosity. OLCC will follow-up next week with more specific questions and to request records, including those required by OAR 845-025-1200 & OAR 845-025-3230, to determine the degree to which Viscosity was used by you or associated licenses.

OLCC is committed to public safety and transparency of information for consumers. A representative of OLCC will be reaching out to your license next week to discuss whether Viscosity was purchased by your license, and if so how it was used. If we determine that licensees did not use Viscosity, or used it with

proper disclosure, no further action may be necessary. If we determine that Viscosity was used without proper disclosure, there may be civil penalties for labeling violations issued against your license. Labeling violations do not in and of themselves put your license at risk – but lying to or misleading the OLCC does.

Our objective is to help our licensees put in place quality controls to ensure that this type of activity doesn't happen again. That approach of compliance through education has been reflected in the manner OLCC has used to resolve similar types of systemic compliance issues, and we intend to take that approach in this matter.

We are asking for your immediate and forthright cooperation on this issue in order to ensure public health and safety. We know you share our concern and commitment to having a marketplace that is instilled with consumer confidence through the presence of consumer safeguards. Please let us know if you have any questions about the contents of this email.