

NACSHOW2022



August 31, 2021

TO: NACS Show CBD Exhibitors
FROM: NACS General Counsel
RE: CBD Displays & Policies for the NACS Show

Thank you for your interest in participating in and exhibiting your products at this year's NACS Show in Las Vegas, Nevada.

Under the Terms and Conditions for the NACS Show, all exhibitors are required to comply and warrant compliance with all applicable federal, state, and local laws, statutes, regulations, and ordinances.

As you are likely aware, cannabis and its derivative products are subject to varying and disparate treatment under federal, state, and local laws across the country. Given the current legal uncertainty surrounding these products, NACS Show participants seeking to exhibit hemp-derived CBD products should be aware of the restrictions and prohibitions that exist at both the federal and state levels so that they can ensure compliance with the applicable Terms and Conditions.

Despite widespread contentions that the Agriculture Improvement Act of 2018 (the so-called "Farm Bill") legalized hemp-derived cannabidiol (CBD) and associated products at the federal level, the legal status of foods, body care products, and dietary supplements that contain hemp-derived CBD remains in flux.

The Farm Bill undoubtedly removed a significant barrier for the hemp-derived CBD market by removing hemp's classification as a Schedule I substance under the Controlled Substances Act.¹ The Food and Drug Administration (FDA), however, was quick to cast a shadow over that development, asserting that the agency considers most hemp-derived CBD products to be illegal under the federal Food, Drug & Cosmetic Act (FD&C Act), absent premarket approval or other regulatory action by the agency. Specifically, the FD&C Act prohibits the sale and marketing of both:

¹ Note, however, that marijuana-derived CBD products remain illegal under the federal Controlled Substances Act.

- Hemp-derived CBD products that are marketed with disease treatment claims or claims of therapeutic benefit, pending approval by the FDA for their intended use; and
- Ingestible hemp-derived CBD products (e.g., foods, beverages, and dietary supplements) absent evaluation, approval, and other regulatory action by the FDA.

The FDA therefore deems hemp-derived CBD products that make such claims and/or are ingestible to be unlawful under the FD&C Act.

Exhibitors should nonetheless be able to display promotional information and packaging to educate interested parties at the NACS Show without running afoul of federal and state laws, provided no sales occur or free samples are offered.

We have attached a statement to the end of this memorandum that confirms your understanding of the existing federal and state restrictions and restates the limitations imposed on CBD exhibitors during the NACS Show this year.

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For more information, please visit: <https://www.convenience.org/Advocacy/Compliance-Resources/CBD-Retailing>.

Cannabidiol Product Exhibitor Supplemental Agreement

I _____ understand that I am responsible for knowing and complying with all applicable federal, state, and local laws, statutes, regulations, and ordinances.

Given the restrictions imposed on the sale of hemp-derived cannabidiol (CBD) products by the Food and Drug Administration and the State of Nevada, I will comply with the following rules applicable to exhibitors participating in the 2022 NACS Show (the “Show”):

- No exhibitor can sell or distribute cannabis in any form, including hemp-derived CBD products, at the Show, though promotional materials and packaging for such hemp-derived products are permitted.
- No exhibitor can be in open possession of or display cannabis in any form, with the sole exception of hemp-derived CBD products, at the Show.
- No exhibitor can offer samples or an opportunity to ingest cannabis in any form, including hemp-derived CBD products, at the Show.

Name

Date

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