

<p>WELD COUNTY DISTRICT COURT 901 9th Ave. Greeley, CO 80631</p>	<p>DATE FILED: June 11, 2024 5:29 PM FILING ID: D89F78EF272DD CASE NUMBER: 2024CV30522</p>
<p>STATE OF COLORADO <i>ex rel.</i> PHILIP J. WEISER, ATTORNEY GENERAL</p> <p>Plaintiff,</p> <p>v.</p> <p>GEE DISTRIBUTORS, LLC AND CHRISTOPHER LANDON EOFF, d/b/a CBDDY,</p> <p>Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
<p>PHILIP J. WEISER, Attorney General LAUREN DICKEY, 45773* First Assistant Attorney General NATHAN MATTISON, 59034* RYAN MILLER, 59026* Assistant Attorneys General Ralph L. Carr Judicial Center 1300 Broadway, 10th Floor Denver, CO 80203 Telephone: (720) 508-6000 FAX: (720) 508-6040 *Counsel of Record</p>	<p>Case No.:</p> <p>Div.:</p>
<p>COMPLAINT</p>	

Plaintiff, the State of Colorado, upon relation of Philip J. Weiser, Attorney General, brings this action pursuant to the Colorado Consumer Protection Act, C.R.S §§ 6-1-101 *et seq.* (“CCPA”) and alleges as follows against the Defendants:

INTRODUCTION

1. Colorado has been at the forefront of the cannabis industry as one of the first two States to legalize marijuana for recreational use in 2012. Since that time, Colorado has established a robust regulatory and taxation system to ensure that there are sufficient guardrails to protect Colorado residents against the industry’s potential harms.

2. Beginning in 2018, however, there has been an influx into Colorado of companies that bypass the state's marijuana regulations and taxes by selling cannabis products with psychoactive effects similar to the legalized recreational and medical marijuana found in dispensaries.

3. These new products comprise an array of cannabis variants and are primarily sold on the internet. Because these types of businesses are relatively new, and thus are not as heavily regulated as the marijuana industry, they have become fertile ground for misrepresentations to consumers, endangering public health, and other safety issues.

4. Defendants, Christopher Eoff and Gee Distributors LLC, created one of these cannabis companies, CBDDY, in 2019.

5. As set forth below, through the course of their business selling cannabis products in (and from) Colorado, Defendants have put consumers at risk and have violated the CCPA by engaging in false, misleading, deceptive, and unfair practices that have threatened the health and welfare of the public by:

- a. Falsely and deceptively advertising products on their website as "industrial hemp" when these products were in fact "marijuana," and falsely representing that such products were "100% compliant" with federal law;
- b. Forging and/or altering laboratory reports to reflect baseless or inaccurate information about CBDDY's products;
- c. Purposefully driving traffic to the CBDDY website by making unsubstantiated health claims about Defendants' products;
- d. Failing to use any adequate or reasonable age-verification system, thus allowing minors to have psychoactive cannabis products delivered to their homes; and
- e. Failing to obtain required permits and licenses.

6. Consumers must be fully and accurately informed about what they are purchasing, and cannabis products sold to consumers must be safe.

7. The State thus brings this action to enjoin Gee Distributors and its owner, Christopher Eoff d/b/a CBDDY, from engaging in false, misleading, deceptive, and unfair conduct in violation of the CCPA, and from putting consumers at risk through such conduct. The State seeks to recover civil penalties, disgorgement, and other relief as provided in the CCPA.

PARTIES

8. Philip J. Weiser is the duly elected Attorney General of the State of Colorado and is authorized to enforce the CCPA. *See* C.R.S. § 6-1-103. The Attorney General has authority under the CCPA to bring enforcement actions to prevent and enjoin unfair or deceptive trade practices in the cannabis industry. *See* C.R.S. § 6-1-105(1)(sss).

9. Defendant Gee Distributors, LLC was a Colorado limited liability company formed on June 4, 2019. On information and belief, from 2022 to May 2023, Gee Distributors' principal place of business was located at 438 Link Lane, Ft. Collins, Colorado 80524. Colorado Secretary of State records show that Gee Distributors dissolved on May 27, 2023.

10. Defendant Christopher Landon Eoff (hereinafter "Mr. Eoff") is the owner of Gee Distributors, LLC, and its brand, CBDDY. Mr. Eoff was also the registered agent for Gee Distributors, LLC. Mr. Eoff resided in Greeley, Colorado until in or around March 2024, but now appears to reside in Arkansas.

11. Ever since Gee Distributors, LLC was dissolved on May 27, 2023, Mr. Eoff has been the sole proprietor of the CBDDY brand. Both before and after Gee Distributors' dissolution, Mr. Eoff managed, and continues to manage, CBDDY's website, personally comments on customer product reviews, and coordinates all sales and shipping of CBDDY products. Mr. Eoff has personally been complicit in each and every alleged violation described herein.

JURISDICTION AND VENUE

12. Pursuant to C.R.S. §§ 6-1-103 and 6-1-110(1), this Court has jurisdiction to enter appropriate orders prior to and following an ultimate determination of liability.

13. The violations alleged in this Complaint occurred throughout the State of Colorado. Until in or around March 2024 Mr. Eoff was operating CBDDY out of Greeley, Colorado. Therefore, venue is proper in Weld County, Colorado, pursuant to C.R.S. § 6-1-103 and Colo. R. Civ. P. 98.

RELEVANT TIMES

14. The conduct that gives rise to the State’s claims began no later than 2021 and is ongoing through the present.

15. This action is timely filed because it is brought within three years of the date on which the last in a series of Defendants’ false, misleading, and/or deceptive acts or practices occurred, and the described acts or practices are ongoing. *See* C.R.S. § 6-1-115.

FACTUAL ALLEGATIONS

A. Cannabis Scientific Background and Regulatory Framework.

16. Plaintiff incorporates herein by reference all allegations set forth above.

17. Defendants’ conduct takes place against the backdrop of a complex legal and regulatory framework.

18. Cannabis products—whether used for recreational, medical, or industrial purposes—all come from the same plant: *Cannabis sativa L.* (“Cannabis”).

19. Cannabinoids are the active chemicals in Cannabis. The Cannabis plant contains more than 100 known cannabinoids, including multiple tetrahydrocannabinol (“THC”) compounds and cannabidiol (“CBD”).

20. Delta-9-tetrahydrocannabinol (“Delta-9 THC”) is the primary psychoactive cannabinoid found in regulated marijuana.

21. In 2018, Congress enacted the federal Agriculture Improvement Act of 2018 (the “2018 Farm Bill”).

22. Pursuant to the 2018 Farm Bill, Cannabis that contains more than 0.3% Delta-9 THC is considered “marijuana,” and is a Schedule I substance under the federal Controlled Substances Act (“CSA”).

23. By contrast, the 2018 Farm Bill defined “industrial hemp” as any part of the Cannabis plant with a Delta-9 THC concentration of *no more than* 0.3% on a dry weight basis.

24. The 2018 Farm Bill specifically exempted “industrial hemp” from the CSA, and allowed for the manufacture and sale of consumable industrial hemp products in limited circumstances.

25. While the threshold of 0.3% Delta-9 THC may seem small, when applied on a “dry weight” basis to all ingredients contained in the product, 0.3% can amount to hundreds of milligrams of Delta-9 THC in hemp-derived products, such as chocolate bars, gummies, and lollipops. For example, a 50-gram chocolate bar at 0.3% Delta-9 THC contains around 150 milligrams of Delta-9 THC, which is more than 15 times the standard 10 milligram Delta-9 THC dose found in regulated marijuana products.

26. Utilizing the 2018 Farm Bill’s allowance of 0.3% Delta 9-THC on a “dry weight” basis, industrial hemp companies have attempted to evade protective regulations and relevant taxes required for regulated marijuana edibles. In particular, they have sold products branded as “industrial hemp” that may actually contain far more Delta-9 THC – and, thus, be more psychoactive – than the same types of marijuana products sold in Colorado’s recreational dispensaries.

27. CBD can be chemically converted to create other cannabinoid variants as well. Some of these variants, such as Delta-8 tetrahydrocannabinol (“Delta-8 THC”), can also be intoxicating when consumed.

28. In fact, Delta-8 THC can be just as intoxicating as marijuana. Many consumers seek to avoid marijuana because of its status as a controlled substance under the CSA (in certain quantities), and the associated legal, employment, and other consequences of possessing and consuming marijuana. Accordingly, these consumers may choose to purchase and consume Delta-8 THC products instead.

29. The Colorado Department of Public Health and Environment (“CDPHE”) regulates the manufacture, production, packaging, and labeling of consumable industrial hemp products.

30. In May 2021, CDPHE issued an advisory notice to businesses warning of potential legal and/or health issues associated with the manufacture and use of chemically converted industrial hemp derived extracts, like Delta 8-THC.

31. At all times relevant to the Complaint, to comply with CDPHE’s regulations and the 2018 Farm Bill, a manufacturer, distributor, or seller of an industrial hemp product must test the product at a CDPHE-certified hemp testing laboratory to confirm that the product contains 0.3% or less Delta-9 THC (which again, is the threshold to be considered “industrial hemp” and not marijuana).

32. There are currently 12 CDPHE-certified hemp laboratories.

33. Testing laboratories issue results via a Certificate of Analysis (“COA”) report.

34. Typically, a COA for a Cannabis product shows cannabinoid potency, specifically the Delta-9 THC content, but if a full-panel screening is completed a COA can also detect pesticides, heavy metals, toxins, mold, moisture content, and filth.

35. The results of a full-panel COA issued by a CDPHE-certified laboratory for either a regulated marijuana or industrial hemp product look identical on their face to a consumer.

36. In principle, consumers have access to industrial hemp products' COAs before purchasing or consuming these products, because COAs are generally published on sellers' websites and/or are provided within the physical packaging of industrial hemp products.

37. Consumers have the opportunity to rely on industrial hemp products' COAs to ensure that what they are purchasing is safe and contains the specific cannabinoids and stated potencies they are seeking.

38. Parallel to the CDPHE's regulations, the Colorado Attorney General has authority to enforce Colorado law against Cannabis companies engaged in unfair or deceptive trade practices, including practices relating to Cannabis products like industrial hemp. *See* C.R.S. § 6-1-105(1)(sss).

39. The Colorado Attorney General is empowered to enforce the CCPA against sellers of Cannabis products to ensure (among other things) that consumers are fully and accurately informed about the products they are consuming.

B. Defendants deceptively market and sell products as “industrial hemp” that are actually “marijuana.”

40. Plaintiff incorporates herein by reference all allegations set forth above.

41. Defendants Gee Distributors and Mr. Eoff own a brand of industrial hemp products called CBDDY.

42. Mr. Eoff previously operated a retail store in Greeley, Colorado, where he sold CBDDY products until sometime in 2022.

43. Since that time, all CBDDY sales have been made through Defendants' website at www.cbddy.com (“CBDDY Website”).

44. Mr. Eoff maintains the CBDDY Website.

45. Through the CBDDY Website, Defendants have marketed and/or sold a multitude of industrial hemp products, including products containing CBD, Delta-9 THC, Delta-8 THC, and tetrahydrocannabinolic acid (“THC-A”).

46. Defendants have sold CBDDY products in various forms, including lollipops, gummies, drinks, smokeable flower,¹ and distillate.²

47. The Colorado Attorney General’s office conducted multiple undercover purchases of CBDDY products in 2023 and 2024.

48. First, on February 28, 2023, an investigator with the Colorado Attorney General’s office, L. Lopez (“Investigator Lopez”), under the supervision of consumer protection attorneys, made two undercover purchases of Cannabis products from the CBDDY Website that were represented to be industrial hemp products.

49. The items purchased in the first undercover buy were advertised as CBD distillate, Delta-8 THC distillates labeled as “Orange Cream” and “Wedding Cake,” and Delta 9-THC-infused gummies.

50. After receiving the CBDDY Cannabis products, Investigator Lopez delivered all the purchased items to a CDPHE-certified hemp testing facility for laboratory analysis.

51. The CDPHE-certified lab provided the results of the undercover purchases by issuing a certified COA for each separate Cannabis product, verifiable by a QR code included therein to prevent alteration.

52. Regarding the CBD distillate, Defendants had advertised this product as containing only .11% Delta-9 THC, as set forth in the COA listed for the product on the CBDDY Website. But the test results showed that it actually contained 2.8849% Delta-9 THC.

53. The CBD distillate thus contained 26 times more Delta-9 THC than advertised and was nearly 10 times over the 0.3% Delta-9 THC limit for a Cannabis product to be considered industrial hemp and not marijuana. Consumption of that

¹ The term Flower is used to reference an inhalable form of Cannabis that has been harvested, dried to reduce moisture, and then cured to allow for the ignition and inhalation of the product.

² Distillate is a concentrated, liquid form of highly potent Cannabis extract, such as THC or CBD, that typically does not have any scent or aroma, which can be inhaled or added to edibles.

amount of Delta-9 THC could easily impair a consumer, cause them to fail a drug test, and/or would be considered a controlled substance under the CSA.

54. Consumers seeking a non-intoxicating CBD product would not expect a detectable amount of Delta 9-THC to be present in the product at all and would have no way of knowing they were in possession of a product that law enforcement would consider to be a controlled substance under the CSA.

55. The “Orange Cream” Delta-8 THC distillate tested at 10.7211% of Delta-9 THC – more than 35 times the limit for a Cannabis product to be considered industrial hemp and not marijuana. The “Wedding Cake” strain of Delta-8 THC distillate likewise tested at 10.7915% Delta-9 THC – also more than 35 times the limit for a product to be considered industrial hemp and not marijuana.

56. Again, consumption of these amounts of Delta-9 THC could easily impair consumers, cause them to fail a drug test, and would be considered a controlled substance under the CSA.

57. The CBDDY Website did not contain COAs for either of these Delta-8 THC distillate strains, suggesting that these products were not actually tested for their potency. However, CBDDY did represent that these products were “2018 Farm Bill compliant” – i.e., that they contained no more than 0.3% Delta-9 THC. Thus, again, consumers would have no way of knowing that the potency of these Cannabis products far exceeded 0.3% Delta-9 THC.

58. Such information is critical to consumers purchasing Cannabis products. Consumers who purchase Cannabis products need to know what they are consuming for a host of reasons, including staying compliant with the law, maintaining employment, preventing interactions with existing medications, and ensuring safety during activities like driving.

59. By failing to provide truthful information regarding these products’ potencies, Defendants knowingly or recklessly put consumers at serious risk of a range of physical and legal harms.

60. Second, on April 11, 2023, Investigator Lopez conducted another undercover buy from CBDDY, purchasing and receiving THC-A flower and THC-A kief.³

³ Kief is a Cannabis concentrate made by collecting the resin glands on the outside of the buds of the THC-A flower, which can increase the level of intoxication significantly if inhaled in comparison to smokeable flower.

61. The THC-A flower and kief products were delivered in a single package with a document stating that its contents contained less than 0.3% Delta-9 THC:

This package contains industrial hemp products grown and produced in accordance with the Agricultural Act of 2014, section 7606, and contains less than 0.3% delta-9 thc. While the products may look and smell like marijuana, they are not. "Industrial hemp" as defined by section 7606 (b)(2) in the Agricultural act of 2014, "means the plant cannabis sativa L. and any part of such plant, whether growing or not, with a delta-9 thc concentration of not more than 0.3 percent on a dry weight basis." As such, any "industrial hemp" products are exempt from the Controlled Substances Act (21 U.S.C 801 et seq.) and are perfectly legal to possess, use, and distribute. Any state law to the contrary is preempted pursuant to the Full Faith and Credit Clause and the Supremacy Clause of the United States Constitution, Article VI, Sections 1 and 2. Please do not inconvenience our customer by illegally confiscating this package.

62. After receiving the CBDDY products from this undercover purchase, Investigator Lopez brought them to the same CDPHE-certified lab for laboratory analysis and to receive a certified COA for each separate product.

63. Defendants had advertised the THC-A kief as containing only .11% Delta-9 THC, as set forth in the product's COA listed on the CBDDY Website. But the test showed that it actually contained 2.345% Delta-9 THC, which was 21 times the advertised Delta-9 THC amount and more than 7 times the limit for a product to be considered industrial hemp and not marijuana.

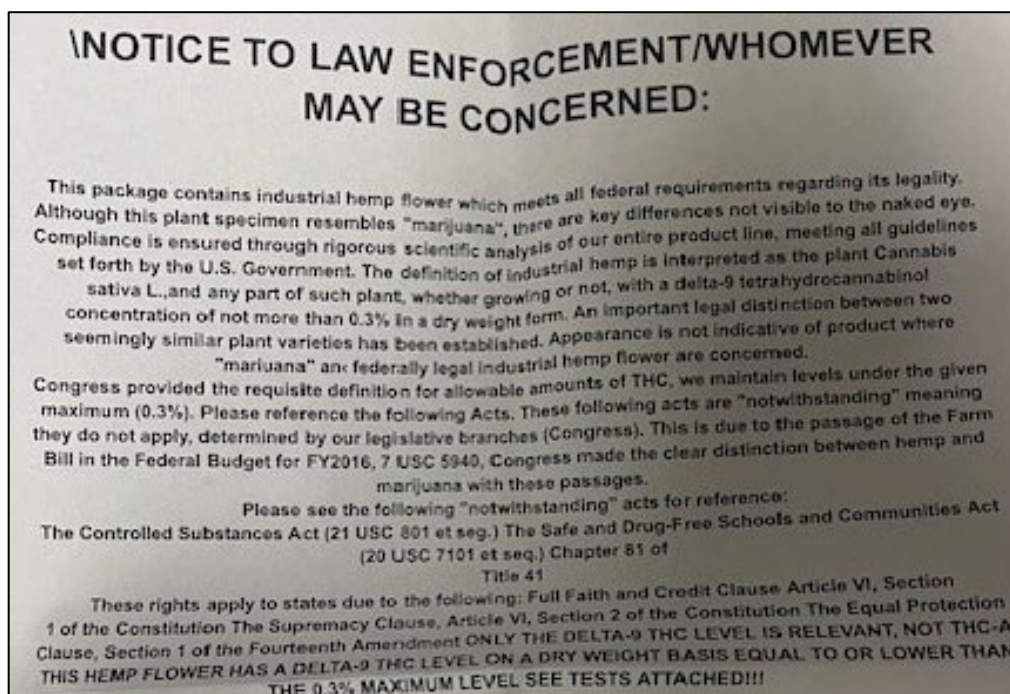
64. Defendants likewise advertised the THC-A flower as containing only .124% Delta-9 THC, as set forth in the product's COA listed on the CBDDY Website. But again, the testing showed that it actually contained .57% Delta-9 THC, which was 4 times the advertised Delta-9 THC amount and nearly double the limit for a product to be considered industrial hemp and not marijuana.

65. As with the first undercover purchase, consumption of these Delta-9 THC amounts in the second undercover purchase could also impair consumers, cause them to fail drug tests, and would be considered controlled substances under the CSA.

66. Finally, on May 7, 2024, an investigator with the Connecticut Attorney General's office, C. Ribeiro ("Investigator Ribeiro"), at the direction of a supervising attorney within the Connecticut Attorney General's office and in collaboration with the Colorado Attorney General's office, made an undercover purchase of Cannabis products from the CBDDY Website that were represented to be industrial hemp products.

67. One of the items purchased during the Connecticut undercover buy was advertised as “Pandemic Punch Strain” THC-A flower.

68. After the CBDDY Cannabis products were delivered, Investigator Ribeiro opened the package to confirm the company had delivered the products as ordered. Included in the package was a “Notice to law enforcement/whomever may be concerned” stating that the package contained industrial hemp containing less than 0.3% Delta-9 THC. The notice also stated, “SEE TESTS ATTACHED,” even though there were no COAs or any other type of test documents included in the package:



69. After confirming the order, Investigator Ribeiro retaped the box and mailed the package via overnight mail to Investigator Lopez.

70. After the CBDDY Cannabis products were received by Investigator Lopez, on May 21, 2024, she delivered all the items to a CDPHE-certified hemp testing facility for laboratory analysis.

71. On May 22, 2024, the CDPHE-certified lab provided the results of the undercover purchase by issuing a certified COA for each separate Cannabis product, verifiable by a QR code included therein to prevent alteration.

72. Defendants had advertised the “Pandemic Punch Strain” THC-A flower as containing only .28% Delta-9 THC, as set forth in the product’s COA listed on the CBDDY Website. But the test showed that it actually contained .65% Delta-9 THC, which was more than double the advertised Delta-9 THC amount and double the limit for a product to be considered industrial hemp and not marijuana.

73. As with the 2023 undercover purchases, consumption of the Delta-9 THC amount in this undercover purchase could also impair consumers, cause them to fail drug tests, and would be considered a controlled substance under the CSA.

74. In fact, the amount of Delta-9 THC in the majority of the products purchased and tested during the Colorado Attorney General’s investigation ranged from 2 to 35 times the 0.3% Delta-9 THC limit to be considered industrial hemp and not marijuana.

75. Defendants’ representations about the contents of their products, including that these products were industrial hemp based on the advertised Delta-9 THC content, were thus false and misleading. These products were not industrial hemp: they were marijuana.

76. These representations were also dangerous: consumers purchasing Defendants’ products could easily become unexpectedly intoxicated, putting themselves and others at serious risk of harm.

77. These false representations could have other serious potential consequences as well.

78. For example, they could cause consumers to unexpectedly fail a drug test, resulting in potentially severe consequences for employment.

79. Likewise, a consumer incorrectly believing that they were in possession of a compliant industrial hemp product could be detained by law enforcement at an airport, on a highway, or in a foreign country, and could be subject to serious legal consequences for Cannabis products they purchased from the CBDDY Website.

80. Similarly, for out-of-state consumers purchasing Cannabis products through the CBDDY Website, marijuana remains a prohibited controlled substance in numerous states. Defendants’ misrepresentations expose those out-of-state consumers to serious legal consequences merely for receiving shipment of Defendants’ Cannabis products into those States.

81. In addition, because industrial hemp products are not subject to any

kind of daily consumer purchasing limits like regulated marijuana products, a consumer (believing that they are ordering compliant industrial hemp products) could even order Defendants' Cannabis products in sufficient quantities to be subject to criminal drug trafficking charges.

82. Defendants thus engaged in a repeated pattern of selling products containing Delta-9 THC at amounts far greater than advertised, knowingly or recklessly deceiving consumers regarding the amount of Delta-9 THC present in their Cannabis products. Upon information and belief, these representations were intended to mislead consumers into believing that the products were CSA-exempt "industrial hemp," rather than marijuana, in order to induce consumers into purchasing Defendants' products.

83. Defendants' misrepresentations caused consumers to purchase and consume Cannabis products containing a significantly higher Delta-9 THC content than known or expected, subjecting consumers to the risk of unintended intoxication and a host of other potential injuries and consequences.

C. Defendants falsely represented that all of their products were 100% compliant with federal law.

84. Plaintiff incorporates herein by reference all allegations set forth above.

85. Until 2023, Defendants claimed on the CBDDY Website that all of their products were "100% compliant" with federal law:



86. Defendants knew or recklessly disregarded that many of their Cannabis products contained more than 0.3% Delta-9 THC and, thus, were not compliant with the 2018 Farm Bill, a federal law.

87. Defendants knew that their false and deceptive representations (that their products were “100% compliant with federal law, containing a maximum of 0.3% Delta-9 THC”) could and did attract customers. Consumers would be less likely to worry that the Cannabis products they were purchasing from Defendants were illegal because of the express written (false) representation that the products were “100% compliant with federal law.”

88. Defendants knowingly or recklessly made these false and deceptive representations to attract potential customers to purchase Cannabis products to increase Defendants’ sales.

89. As a result of Defendants’ false and misleading representation that their products were “100% compliant with federal law, containing a maximum 0.3% Delta-9 THC,” consumers could end up unknowingly possessing psychoactive Cannabis products that were intoxicating, and that were in violation of federal law, because the Cannabis products contained more than 0.3% Delta-9 THC.

D. Defendants forged and/or altered Certificates of Analysis to reflect inaccurate information regarding Defendants’ Cannabis products.

90. Plaintiff incorporates herein by reference all allegations set forth above.

91. In April 2023, the Colorado Attorney General’s Office discovered at CBDDY’s facility in Fort Collins, Colorado, five COAs issued by “Mile High Lab” dated 2022 and 2023. These COAs related to the following strains of THC-A flower, which were also found at CBDDY’s facility, and which were being marketed and sold on the CBDDY Website as of 2023: Jelly Biscuits, Tropical Wedding Cake, Peanut Butter & Jealousy, and Kronik Milk.

92. “Mile High Lab,” however, went out of business in 2021 – well before the alleged 2022 and 2023 COAs were issued. Before it went out of business, Mile High Lab did test Cannabis samples for CBDDY in 2019 and 2020.

93. The prior owner and operator of Mile High Lab confirmed that any COA with its name on it dated after 2021 was not issued, certified, authorized, or approved by Mile High Lab, which was no longer in business after 2021.

94. The prior owner and operator of Mile High Lab further confirmed that because it closed in 2021, any Mile High Lab COA in the possession of Defendants showing a date after 2021 was altered or forged.

95. Accordingly, upon information and belief, Defendants forged and/or altered COAs issued by testing laboratories, including COAs issued by Mile High Lab. Upon information and belief, Defendants forged and/or altered COAs to misrepresent their products as legitimate, legal, and as containing the stated ingredients and concentrations, in order to induce consumers to purchase their Cannabis products.

96. Upon information and belief, the forged and/or altered COAs were intended to, and did, deceive Defendants' customers as to the actual ingredients and concentration of Delta-9 THC in Defendants' Cannabis products.

97. Defendants forged and/or altered COAs for the purpose of deceiving customers and driving sales.

E. Defendants knowingly drove traffic to their website by making unsubstantiated health claims.

98. Defendants used unscrupulous tactics to draw consumers to their website by making unsupported health claims about their products.

99. In blog posts on the CBDDY Website, Defendants indicated to consumers that their CBD products were intended for use in the mitigation, treatment, or prevention of various health conditions.

100. For example, a blog posted on August 27, 2022, on the CBDDY Website (and using Mr. Eoff's username) titled "10 ways CBD Might Be Able to Help Anxiety Sufferers" contained the following health claims:

By taking CBD daily, You can regulate the secretion of cortisol, and as a result, You'll feel more blissful, both physically and mentally.

CBD protects neurons "from premature death" and "stimulated neurogenesis, and the growth of new, healthy neurons."

101. Likewise, a blog posted on October 26, 2022, on the CBDDY Website using Mr. Eoff's username titled "20 Potential Benefits and Uses of CBD" claimed:

CBD can also act as a treatment for dementia sufferers thanks to its ability to boost cognitive function while reducing symptoms of depression.

[CBD] seems to have unique properties that can potentially minimize the effects of a concussion while helping treat common symptoms associated with this type of injury such as pain.

102. Through these and other blog posts, Defendants made unsupported health claims regarding the benefits of CBD on the CBDDY Website.

103. Defendants used these blog posts as a search engine optimization tool to boost sales of Defendants' products. Defendants believed that the blog content helped the CBDDY Website get more internet traffic, which would result in Defendants' website ranking higher on Google searches. This, in turn, meant that more people would find the CBDDY Website more quickly, driving increased sales.

104. But Defendants knew, or recklessly disregarded, that these health claims were unsupported and in fact prohibited under federal law. The U.S. Food & Drug Administration ("FDA") has consistently issued advisories that it is unlawful to market CBD in food or as a dietary supplement, or to make any kind of associated health claims regarding the use of CBD in such products.

105. Notwithstanding that such health claims were unsupported and illegal, Defendants knowingly or recklessly made these claims in order to drive consumers to their website. In doing so, Defendants capitalized on the vulnerability of consumers seeking help for their health issues, and then exposed these consumers to harm by selling products that not only failed to address their health issues – but also (as set forth above) contained Delta-9 THC in far greater amounts than advertised.

F. Defendants failed to take reasonable steps to ensure their intoxicating products are not sold to minors.

106. Plaintiff incorporates herein by reference all allegations set forth above.

107. At all relevant times, Defendants knew that certain Cannabis products sold on the CBDDY Website were intoxicating, and that these Cannabis products could present significant dangers to unknowing consumers, including intoxication, impairment, and a variety of other legal concerns.

108. Nonetheless, until on or around January 2024, the CBDDY Website could be accessed by anyone. Upon entering the CBDDY Website, a user was sometimes – but not always – prompted to verify their age. The age gate message appearing on the CBDDY Website provided the following options, “I am 21 or older,” or “I am under 21.” Upon clicking on the “I am 21 or older” tab, any user – including a minor – could then enter the CBDDY Website and purchase non-intoxicating or intoxicating Cannabis products.

109. CBDDY Website users complete the purchase by entering their credit card information. Purchasers are informed that the credit card charges will appear as “Gee Distributors” on the consumer’s credit card statement.

110. The CBDDY Cannabis products purchased on the CBDDY Website are then discreetly packaged and shipped to the purchaser via the United States Postal Service (“USPS”).

111. Until on or around January 2024, a purchaser was not required to show proof of identification or age on the CBDDY Website to take delivery of a package containing purchases from CBDDY.

112. Prior to then, the only procedure CBDDY used to verify age and potentially prevent a minor from purchasing intoxicating Cannabis products was one pop-up on the CBDDY Website – which did not always appear – asking to click a button stating that they are 21 years old or older. There was no request for proof of identification or other procedure to verify age throughout the purchasing process.

113. Again, Defendants knew that certain Cannabis products containing Delta-8 THC, Delta 9-THC, and THC-A would have an intoxicating effect when consumed.

114. Other intoxicating products, such as alcohol and recreational marijuana, have strict age requirements and proof-of-age requirements that businesses are obligated to use.

115. This is because children are particularly vulnerable consumers. Cannabis use in adolescence has the potential to lead to a variety of harms, including problems with memory and learning, increased risk of mental health

issues, and potential for addiction.⁴

116. Nevertheless, for years Defendants failed to use any legitimate age verification system on the CBDDY Website, and did not require in-person age verification to receive delivery of Cannabis products, including products containing Delta-8 THC, Delta 9-THC, and THC-A.

117. Defendants thus knowingly and recklessly allowed children to purchase Cannabis products that could cause them serious harm.

G. Defendants failed to obtain the required licenses and/or permits to sell Cannabis products in the State of Colorado.

118. To legally import, manufacture, distribute, and/or sell marijuana products within Colorado, entities must maintain, renew, and/or obtain licensure from MED and adhere to the statutes and regulations governing marijuana. *See* C.R.S. § 44-10-101 *et seq.*; *see also* 1 CCR 212-3.

119. Likewise, to legally import, manufacture, distribute, and/or sell industrial hemp products within Colorado, entities must also maintain, renew, and/or obtain licenses and/or permits from CDPHE and adhere to all of the industrial hemp product regulations found in 6 CCR 1010-21, or as otherwise incorporated or referenced therein.

120. As stated above, Defendants have sold Cannabis products on the CBDDY Website that are over 0.3% Delta-9 THC and, thus, are marijuana.

121. Defendants have also sold various industrial hemp products on the CBDDY Website.

122. Defendants failed to obtain a license and/or permit from either CDPHE or MED to sell industrial hemp or marijuana products in Colorado.

CLAIMS FOR RELIEF

123. Defendants have engaged in numerous deceptive and unfair trade practices, each constituting a separate violation of the Colorado Consumer Protection Act, C.R.S. §§ 6-1-105(1)(b), (e), (u), (z), (rrr), and (sss).

⁴ *See* Center for Disease Control, “What you need to know about marijuana use and teens,” *available at* <https://www.cdc.gov/marijuana/health-effects/teens.html>.

FIRST CLAIM FOR RELIEF

Violation of the CCPA - C.R.S. § 6-1-105(1)(e)

(False representation as to the characteristics, ingredients, uses, benefits, alterations, or quantities of goods, food, services, or property, or a false representation as to the sponsorship, approval, status, affiliation, or connections of a person therewith)

124. Plaintiff incorporates herein by reference all allegations set forth above.

125. Defendants made numerous false representations regarding the characteristics, ingredients, uses, and benefits of industrial hemp products sold to consumers both in Colorado and nationwide.

126. As set forth above, Defendants represented that their products contained less – and sometimes far less – Delta-9 THC than the products actually contained.

127. Additionally, Defendants misrepresented that their products were 100% compliant with federal law, when they were not, as they sold industrial hemp products that contained more than the maximum amount of 0.3% Delta-9 THC permitted by the 2018 Farm Bill.

128. Defendants' false and deceptive representations had the capacity to and did deceive consumers, and were intended to induce consumers to purchase their products.

129. Each day that Defendants published each misrepresentation on the CBDDY website or through marketing materials amounts to a CCPA violation.

130. Likewise, each package that Defendants sold and shipped to consumers containing false statements regarding the nature and/or legality of their products also amounts to a CCPA violation.

131. Defendants' above-described unlawful deceptive trade practices have deceived, misled, and unlawfully acquired money from consumers in violation of C.R.S. § 6-1-105(1)(e).

SECOND CLAIM FOR RELIEF

Violation of the CCPA - C.R.S. § 6-1-105(1)(b)

(False representation as to the source, sponsorship, approval, or certification of goods, services, or property)

132. Plaintiff incorporates herein by reference all allegations set forth above.

133. Defendants knowingly misrepresented the certification of their products by forging, altering, or editing COAs to make their products appear to be verified by an outside testing lab.

134. Defendants forged, altered, and/or edited COAs to deceive consumers into believing that Defendants' products were inspected by a hemp testing facility, in order to induce consumers to purchase Defendants' products.

135. Each day that Defendants published or used a forged, altered, and/or edited COA on any of their products constitutes a separate CCPA violation.

136. Defendants' above-described unlawful deceptive trade practices have deceived, misled, and unlawfully acquired money from Colorado consumers in violation of C.R.S. § 6-1-105(1)(b).

THIRD CLAIM FOR RELIEF

Violation of the CCPA - C.R.S. § 6-1-105(1)(z)

(Refuses or fails to obtain all governmental licenses or permits required to perform the services or to sell the goods, food, services, or property as agreed to or contracted for with a consumer)

137. Plaintiff incorporates herein by reference all allegations set forth above.

138. Defendants sold and distributed industrial hemp and marijuana products through their CBDDY website while operating within the State of Colorado.

139. Defendants have never maintained, renewed, and/or obtained licenses and/or permits from CDPHE or MED.

140. Defendants' operation within the State of Colorado importing, manufacturing, selling, and distributing or shipping their products without proper licenses and/or permits is a violation of the CCPA.

141. Each day that Defendants operated in the State of Colorado without proper licenses and/or permits amounts to a CCPA violation. Each sale of Defendants' products to a consumer without proper licenses and/or permits is a violation of this provision of the CCPA.

142. Defendants' above-described unlawful deceptive trade practices have deceived, misled, and unlawfully acquired money from consumers, and have otherwise deprived the State of Colorado of tax revenues or licensure fees. C.R.S. § 6-1-105(1)(z).

FOURTH CLAIM FOR RELIEF

Violation of the CCPA - C.R.S. § 6-1- 105(1)(u)

(Fails to disclose material information concerning goods, services, or property which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter into a transaction)

143. Plaintiff incorporates herein by reference all allegations set forth above.

144. Defendants failed to disclose material information to consumers regarding the potency and intoxicating nature of their products.

145. Defendants failed to include COAs for numerous items sold on the CBDDY Website, including Delta-8 THC distillates testing at more than 35 times the limit for a product to be considered industrial hemp and not marijuana. As explained above, if consumed, these products could easily impair the consumer and cause them to fail a drug test.

146. Failing to include COAs for those products, or to otherwise inform consumers regarding the true Delta-9 THC content of the products, had the capacity to induce consumers to purchase Defendants' products. Consumers would be less likely to purchase these products if they were aware that the Delta-9 THC levels were 35 times over the legal limit and, thus, considered marijuana rather than industrial hemp.

147. Each day that Defendants failed to include COAs for their products, or to otherwise accurately inform consumers regarding the Delta-9 THC content of their products, amounts to a CCPA violation.

148. Defendants' above-described unlawful deceptive trade practices have deceived, misled, and unlawfully acquired money from consumers. C.R.S. § 6-1-105(1)(u).

FIFTH CLAIM FOR RELIEF

Violation of the CCPA - C.R.S. § 6-1- 105(1)(rrr)

(Engages in any unfair, unconscionable, deceptive, deliberately misleading, false, or fraudulent act or practice)

149. Plaintiff incorporates herein by reference all allegations set forth above.

150. Defendants engaged in multiple unfair practices that harmed Colorado consumers.

151. First, for years, Defendants unfairly and unconscionably, knowingly, and recklessly failed to establish and use a legitimate age-verification system to ensure that only age-appropriate adults could purchase intoxicating CBDDY products on the CBDDY Website.

152. Defendants failed to establish and use a legitimate age-verification system because it likely would negatively affect their potential sales of intoxicating products.

153. Defendants' failure to establish a legitimate age-verification system for years is immoral and offends public policy, which strives to protect minors from harmful and intoxicating substances. Such failure has also caused, or had the potential to cause, substantial injury to the underage individuals who consume Defendants' products. Children and teenagers are especially vulnerable to Defendants' misrepresentations, as they are more susceptible to the potential harms of Cannabis products and are less able to protect themselves against such harms.

154. There are numerous online programs available that allow businesses to verify a consumer's age by, for example, requiring photo identification prior to check-out. Despite these programs being used by some other industrial hemp companies, Defendants did not utilize any such services until recently. Nor did Defendants require age-verification at the time of delivery.

155. Each day that Defendants unfairly and unconscionably failed to utilize any legitimate age-verification system to ensure that only age-appropriate adults purchased their intoxicating CBDDY products constitutes a CCPA violation.

156. Second, as set forth above, Defendants knowingly and recklessly forged, altered, and/or edited COAs to deceive consumers into believing that Defendants' products were inspected by a hemp testing facility.

157. In addition to being a deceptive trade practice, such conduct is also an unfair trade practice under Colorado law. Forging COAs is unethical and counter to public policy, which requires transparency for consumers who are purchasing products for consumption.

158. In the case of Defendants, consumers purchasing products with forged COAs could be subject to a variety of serious harms, including driving while intoxicated, being terminated from employment, or being subject to criminal charges. Such consequences would not be reasonably avoidable by consumers relying on the forged COAs.

159. Third and finally, Defendants engaged in unfair trade practices by making unsupported health claims on their website in order to increase web traffic and drive sales. Such conduct is unscrupulous, as Defendants knew, or recklessly disregarded, that consumers seeking help for their health issues would be directed to products unproven to provide any of the health benefits advertised. Consumers already experiencing health conditions would thus pay for products that not only were unproven to help them – but could actively harm them by delivering significant undisclosed amounts of Delta-9 THC.

160. Each day that Defendants engaged in each of the above unfair trade practices amounts to a CCPA violation.

161. Defendants’ conduct has deceived, misled, and unlawfully acquired money from consumers. C.R.S. § 6-1-105(1)(rrr).

SIXTH CLAIM FOR RELIEF

Violation of the CCPA - C.R.S. § 6-1-105(1)(sss)

(Violations of the CCPA as it applies to hemp, industrial hemp, industrial hemp products, intoxicating hemp, adult use cannabis products, the plant cannabis sp., or anything derived from or produced from the plant cannabis sp.)

162. Plaintiff incorporates herein by reference all allegations set forth above.

163. Each deceptive and unfair trade practice alleged above involves industrial hemp products, intoxicating hemp, adult use cannabis products, and/or things derived from or produced from the plant cannabis sp.

164. Each of Defendants’ deceptive and unfair trade practices are thus also violations of C.R.S. § 6-1-105(1)(sss).

RELIEF REQUESTED

WHEREFORE, Plaintiff seeks entry of Judgment in favor of Plaintiff and against the Defendants, jointly and severally, as follows:

- A. Entry of an Order declaring that Defendants’ above-described conduct constitutes violations of the Colorado Consumer Protection Act, including C.R.S. §§ 6-1- 105(1)(b), (e), (u), (z), (rrr), and (sss);
- B. Entry of an Order permanently enjoining Defendants, their officers, directors, successors, assignees, agents, employees, and anyone in active concert or participation with Defendants with

notice of such injunctive orders, from engaging in any deceptive trade practice as defined in and proscribed by the CCPA and as set forth in this Complaint;

- C. Entry of additional appropriate Orders necessary to prevent Defendants' continued or future deceptive trade practices;
- D. Judgment in an amount to be determined at trial for restitution, disgorgement, or other equitable relief pursuant to C.R.S. § 6-1-110(1) and C.R.S. § 18-17-106;
- E. Entry of an Order that Defendants forfeit, and pay to the General Fund of the State of Colorado, civil penalties in an amount not to exceed \$20,000 per violation pursuant to C.R.S. § 6-1-112(1)(a);
- F. Entry of an Order requiring Defendants to pay Plaintiff's costs incurred in bringing this action including, but not limited to, costs and reasonable attorneys' fees, pursuant to C.R.S. § 6-1-113(4); and
- G. Such further Orders as the Court deems appropriate to effectuate the purposes of the CCPA.

Respectfully submitted this 11th day of June, 2024.

PHILIP J. WEISER
Attorney General

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