

STATE OF COLORADO
OFFICE OF THE ATTORNEY GENERAL

ASSURANCE OF DISCONTINUANCE

IN THE MATTER OF COOKIES CREATIVE CONSULTING AND PROMOTIONS,
INC. ET AL.

This Assurance of Discontinuance (“Assurance”) is entered into between the Attorney General of Colorado, *ex rel.* Philip J. Weiser, Attorney General for the State of Colorado (“the Attorney General”), and Cookies Creative Consulting and Promotions, Inc. and Gilbert Anthony Milam, Jr. and Parker Berling, individually (referred to collectively as the “CCC&P Parties”); pursuant to the Attorney General’s powers under Colo. Rev. Stat. Section 6-1-110(2), and constitutes a complete settlement between the Attorney General and CCC&P (collectively the “Parties”) regarding the Attorney General’s allegations that the CCC&P Parties’ business practices violated the Colorado Consumer Protection Act (“CCPA”).

I. PARTIES

1. Philip J. Weiser is the duly elected Attorney General for the State of Colorado and has authority to investigate and prosecute violations of the CCPA, C.R.S. Sections 6-1-101 through 6-1-1121.

2. Cookies Creative Consulting and Promotions, Inc. (“CCC&P”) is a foreign corporation with a registered principal office address of 11516 Downey Ave., Downey, California 90241, and whose registered agent is “Paracorp,” located at 95 Emerson Street, #601, Denver, Colorado 80218.

3. Gilbert Anthony Milam, Jr. (“Milam”) is an individual residing in the State of California, and the co-founder and CEO of CCC&P.

4. Parker Berling (“Berling”) is an individual residing in the State of California, and is the president of CCC&P.

II. DEFINITIONS

5. The term “Effective Date” means the first date upon which both Parties have executed and delivered this Assurance.

6. Unless otherwise specified, all definitions found in C.R.S. §§ 6-1-102 and 6-1-105(1) are incorporated herein, and any term defined in those Sections shall have the same meaning when used in this Assurance.

III. ATTORNEY GENERAL’S ALLEGATIONS

A. Background

7. Cookies Creative Consulting and Promotions, Inc. (“CCC&P”) is the parent company of the well-known Cannabis brand “Cookies.” Cookies was co-founded by Gilbert Anthony Milam, Jr. and Parker Berling currently serves as President of CCC&P.

8. The Cookies brand of Cannabis products, along with non-Cannabis products sold or promoted under the Cookies brand, are well known to consumers. The Cookies brand uses unique and readily identifiable branding and imagery across various outlets to sell products under the Cookies brand. Cookies-branded products are sold in markets across the United States, including in regulated marijuana dispensaries as well as websites engaged in the online sale of cannabis seeds, apparel, and hemp-derived Cannabis products.

9. In 2023, the CCC&P Parties entered into a “License and Distribution Agreement” (“Licensing Agreement”) whereby CCC&P licensed its intellectual property, trademarks, images, logos, branding, packaging, genetics, and/or other goods or services related to the Cookies brand to an unaffiliated third party, CKSHO Services, LLC (“CKSHO”). CKSHO used what was defined

as “Cookies Branded Packaging” to distribute Cannabis products, defined in the Licensing Agreement as “Non-Regulated Products,” through a “Dedicated Website” that was required to operate in compliance with all applicable laws.

10. Pursuant to the Licensing Agreement, CKSHO was to cultivate, produce, and/or source Non-Regulated Products and place those products into the Cookies Branded Packaging provided by CCC&P. CCC&P retained inspection and approval rights on all Non-Regulated Products sold in the Cookies Branded Packaging to ensure they met certain “Quality Standards.”

11. Cookies-branded Cannabis products labeled as “hemp” or “THC-A” made through the Licensing Agreement’s “Dedicated Website” were sold through <https://thca.cookies.co>. (“Cookies THC-A Website”).

12. The Attorney General alleges that from June 2023 through approximately December 2023, the CCC&P Parties, via sales conducted through their third-party licensee, CKSHO, misrepresented the source, quality, characteristics, and/or ingredients of Cannabis flower being marketed and sold to Colorado consumers on the Cookies THC-A Website.

13. The Attorney General also alleges that both Milam and Berling individually participated in the conduct that violated the CCPA, including actively marketing and promoting the misrepresented products under existing Cookies social media accounts and advertising outlets.

B. The CCC&P Parties misrepresented the source, quality, characteristics, and/or ingredients of Cannabis flower marketed and sold to Colorado consumers under the “Cookies” brand.

14. As noted above, the CCC&P Parties earn revenue by licensing Cookies-branded “THC-A” products to sell to the public. This includes certain Cannabis flower products marketed to consumers with names already familiar to consumers as proprietary and well-known Cookies marijuana strains, like “Fish Scale,” “Triple Scoop,” and “Pink Pineapple.”

15. At all relevant times, Cookies' licensees sold certain well-known and proprietary strains of marijuana flower in various state-licensed marijuana dispensaries located throughout Colorado.

16. Consumers who purchased Cannabis flower products from the Cookies THC-A Website believed that they were purchasing flower that was cultivated using the same genetics as well-known "Cookies" strains of marijuana flower, but which met the legal definition of "hemp". Since the Cannabis products were represented to meet the legal definition of "hemp" under federal law, consumers understood that these products would be legal for consumers to purchase online and have them shipped across state lines.

17. Despite the representations made to consumers regarding the specific sources, quality, characteristics, and/or ingredients of the Cannabis products sold on the Cookies THC-A Website, the CCC&P Parties are unable to verify the truthfulness of the representations made throughout the Cookies THC-A Website about those products. Purchase orders and/or invoices related to those Cannabis flower products marketed and sold on the Cookies THC-A Website pursuant to the Licensing Agreement show that the Cannabis flower purchased and sold on that website was not actually cultivated as proprietary or well-known Cookies strains like "Fish Scale," "Triple Scoop," or "Pink Pineapple." Instead, the evidence indicated that different strains of Cannabis flower were purchased from unaffiliated third parties, and were then re-labeled to appear as the proprietary or well-known Cookies strains.

18. Likewise, the "Is this Legal" section of the Cookies THC-A Website made several representations regarding the legality, source, testing, characteristics, ingredients, and/or quality of its products. For example, this portion of the website published Certificates of Analysis ("COAs") for several of its products purporting to disclose the contents of those products.

19. However, laboratory analysis performed on Cannabis products purchased from the Cookies THC-A Website showed that these products contained Delta-9 THC levels that would render those products marijuana, not hemp, under applicable Colorado law. These results also contradicted the COAs published on the Cookies THC-A Website for those specific products. Cookies disputes these results and contends that all of the products it sold were within the 0.3% legal limit for “hemp”.

C. The Attorney General’s claims.

20. The CCPA, C.R.S § 6-1-105(1)(b), prohibits a person in the course of the person’s business, vocation, or occupation from “knowingly or recklessly mak[ing] a false representation as to the source, sponsorship, approval, or certification of goods...[.]”

21. The CCPA, C.R.S § 6-1-105(1)(e), prohibits a person in the course of the person’s business, vocation, or occupation from “knowingly or recklessly mak[ing] a false representation as to the characteristics, ingredients, uses, benefits, alterations, or quantities of goods, foods, services, or property...[.]”

22. The CCPA, C.R.S § 6-1-105(1)(u), prohibits a person in the course of the person’s business, vocation, or occupation from “fail[ing] 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.”

23. The CCPA, C.R.S § 6-1-105(1)(z), prohibits a person in the course of the person’s business, vocation, or occupation from “refus[ing] or fail[ing] 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.”

24. The CCPA, C.R.S § 6-1-105(1)(rrr), prohibits a person in the course of the person's business, vocation, or occupation from "knowingly or recklessly engag[ing] in any unfair, unconscionable, deceptive, deliberately misleading, false, or fraudulent act or practice."

25. The CCPA, C.R.S § 6-1-105(1)(sss), prohibits a person in the course of the person's business, vocation, or occupation from "violat[ing] this section [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.*"

26. The Attorney General alleges that the CCC&P Parties conduct here violated at least these subsections of the CCPA.

27. The CCC&P Parties deny that their conduct violated the CCPA.

IV. LEGAL AUTHORITY

28. C.R.S. § 6-1-110(2) authorizes the Attorney General to accept an assurance of discontinuance for any deceptive trade practice listed in C.R.S. § 6-1-105(1). Section 6-1-110(2) also allows the Attorney General to accept voluntary payment for the costs of investigation in any action or proceeding by the attorney general.

V. CONSIDERATION

29. The Parties enter into this Assurance for the purpose of compromising and resolving all disputed claims and to avoid further expense of protracted litigation. This Assurance does not constitute an admission by the CCC&P Parties of any violation of the CCPA, nor shall it be construed as an abandonment by the Attorney General of its claim that the CCC&P Parties have violated the CCPA.

30. The CCC&P Parties shall pay civil penalties to the Attorney General in the amount of one-hundred and forty-one thousand dollars (\$141,000.00). Payment shall be as follows:

- a. On or before July 1, 2025, the CCC&P Parties shall pay a total of Forty-one thousand dollars (\$41,000.00) to the Attorney General.

31. The Attorney General agrees to suspend the CCC&P Parties' payment of the remaining one-hundred thousand dollars (\$100,000.00), if they comply fully with the terms outlined in paragraphs 32 to 54. Payment shall be in the form of a certified check, cashier's check, or money order made payable to the "Colorado Department of Law," shall reference "In the Matter of Cookies Creative Consulting and Promotions, Inc.," and shall be delivered to: Colorado Department of Law, c/o Miriam Burnett, 1300 Broadway, 9th Floor, Denver, CO, 80203. All payments under paragraph 30 are to be held, along with any interest thereon, in trust by the Attorney General to be used in the Attorney General's sole discretion for reimbursement of the Attorney General's actual costs and attorneys' fees, the payment of restitution, if any, and for future consumer fraud or antitrust enforcement, consumer education, or public welfare purposes.

VI. FURTHER ASSURANCES OF THE CCC&P PARTIES

32. The duties, responsibilities, burdens, and obligations undertaken in connection with this Assurance shall apply to the CCC&P Parties, and any of their principals, officers, directors, agents, employees, representatives, successors, affiliates, subsidiaries, contractors, and assignees. This includes, but is not limited to, any and all entities which were specifically identified as being an Affiliate of CCC&P in documents which were produced to the Attorney General during the course of its investigations.

33. The injunctive terms contained in this Assurance are entered pursuant to C.R.S. § 6-1-110.

A. Compliance with Law.

34. The CCC&P Parties shall comply with the CCPA with respect to any future business operations, of any kind or character whatsoever, being conducted in the State of Colorado.

35. The CCC&P Parties shall not make a misrepresentation that is capable of misleading consumers or fail to state a material fact if that failure is capable of misleading consumers regarding the properties of their Cookies-branded Cannabis products that have not been independently verified as truthful and accurate.

36. In no instance may the CCC&P Parties rely solely on the statements, representations, and/or documentation of any non-affiliated, third-party supplier of any Cookies-branded Cannabis products, which are marketed to them as hemp derived, regarding the source, quality, characteristics, and/or ingredients of such products which are marketed and sold directly to Colorado consumers. The CCC&P Parties may satisfy their obligations under this paragraph by making a good faith inquiry into the representations.

37. The CCC&P Parties, and all of their subsidiaries and affiliates, shall comply with all applicable provisions of any local, state, or federal law applicable to their business operations that are within the scope of this Assurance.

38. The CCC&P Parties shall not publish any legal opinion and/or provide legal advice on any websites from which Colorado consumers can purchase any kind of Cannabis products.

B. Adherence to rules, regulations, and permitting/licensing requirements.

39. The CCC&P Parties agree that they will obtain all required licensure and permits pertaining to any of their operations being conducted in the State of Colorado related to the manufacture, assembly, warehousing, import, export, co-packaging, sale, or distribution of any

kind of Cookies-branded cannabis product, whether industrial hemp or marijuana, and shall maintain all such licenses and permits at all times.

40. The CCC&P Parties agree that they will not engage in the sale of any Cannabis products directly to Colorado consumers which are not specifically allowed by the rules and regulations of any state agency with jurisdiction over Cannabis products, including but not limited to the rules and regulations of the Colorado Department of Revenue’s Marijuana Enforcement Division (“MED”) as applicable to marijuana products, the Colorado Department of Public Health and Environment (“CDPHE”) as applicable to hemp-derived finished Cannabis products, and the Colorado Department of Agriculture (“CDA”) as to industrial hemp cultivated in Colorado.

41. Upon written request by the Attorney General, the CCC&P Parties shall provide, within ten (10) business days, copies of all past and/or current licenses and permits issued by any such State agency, or any applications submitted for such licenses and permits to such State agency, for verification of compliance with this provision.

C. Limitation on marketing Cookies brand Cannabis products from any website or social media site accessible by Colorado consumers.

42. Upon the Effective Date of this Assurance, the CCC&P Parties understand and agree that they are restricted from specifically marketing or advertising any of their Cannabis products which are not allowed for sale in the state of Colorado on any website, social media site, or any other marketing platform under their direction or control that is accessible by Colorado consumers. For purposes of compliance with this provision, the CCC&P Parties agree to place on the homepage or, if preferable, on each product description contained on any such website, any social media site, or any other platform which is engaged in the marketing and/or sale of Cookies-brand Cannabis products and is generally accessible by Colorado consumers, the following message: “No Sales to Colorado.”

43. The Parties understand and acknowledge that the limitations and restrictions on marketing and/or sales from any website, social media site, or any other marketing platform applies only to those websites, social media sites, or other marketing platforms which have a direct and legitimate connection to the CCC&P Parties. This restriction on marketing and sales contained in this Assurance does not apply to any unapproved or counterfeit websites, social media sites, or other platforms from which any counterfeit or unauthorized Cookies brand Cannabis products are marketed and sold which are not under the direction or control of the CCC&P Parties.

44. In the event any such unapproved or counterfeit websites, social media sites or other marketing platforms from which any counterfeit or unauthorized Cookies brand Cannabis products are sold is discovered by the CCC&P Parties, the CCC&P Parties agree to take all reasonable efforts to enforce against any such website, distributor, or other supplier of Cookies-brand Cannabis products directly to Colorado consumers, which is using the Cookies brand in an unauthorized manner. At minimum, the CCC&P Parties agree that they will send a formal cease and desist letter to any such website, social media site, distributor, retail location, or other supplier engaged in the unauthorized marketing and/or sale of Cookies brand Cannabis products to Colorado consumers.

45. In no event shall the actions of an unaffiliated third party engaged in the distribution or sale of Cookies brand cannabis products to Colorado consumers without the consent of the CCC&P Parties be considered a breach or violation of this Assurance by the CCC&P Parties themselves.

D. Notice of change of address.

46. The CCC&P Parties shall notify the Attorney General via the email addresses listed below of any change of residence within 30 days of that change.

E. No use of third parties or persons to violate the terms of this Assurance.

47. Neither Milam or Berling, nor any other officer, owner, director, manager, or employee of CCC&P, shall use any third persons or parties to violate the terms conditions of this Assurance.

VII. RELEASE

48. The Attorney General acknowledges by its execution hereof that this Assurance constitutes a complete settlement and release of all claims under the CCPA on behalf of the Attorney General against the CCC&P Parties with respect to all claims, causes of action, damages, fines, costs, and penalties that were asserted or could have been asserted under the CCPA for the conduct described in this Assurance, that arose prior to the Effective Date and that relates to or is based upon the acts or practices that are subject to this Assurance, including, without limitation, acts or practices: (i) that the CCC&P Parties or their attorneys disclosed to the Attorney General during the course of its investigation; (ii) set forth in any Civil Investigation Demand Letter(s) issued by the Attorney General to the CCC&P Parties; (iii) set forth in any settlement outline(s) issued by the Attorney General to the CCC&P Parties; or (iv) any other investigation by the Attorney General related to the CCC&P Parties that occurred on or before the Effective Date, whether or not such investigation is specifically outlined in this Assurance. The Attorney General agrees that, except as provided in the following paragraph, it shall not proceed with or institute any civil action or proceeding under the CCPA against the CCC&P Parties for any conduct or practice prior to the Effective Date that relates to the subject matter of this Assurance.

49. Nothing herein precludes the Attorney General from enforcing this Assurance, or from pursuing any law enforcement action under the CCPA with respect to the acts or practices of the CCC&P Parties not covered by this Assurance or any of the CCC&P Parties' acts or practices

after the Effective Date. Nothing herein shall be construed to be a waiver or limitation of the CCC&P Parties' legal rights, remedies, or defenses in connection with any claim, matter, or suit related to the subject matter of this Assurance other than an action by the Attorney General to enforce the provisions of this Assurance.

VIII. ENFORCEMENT

50. The obligations set forth in this Assurance are continuing.

51. The Parties consent to venue and jurisdiction for any proceeding necessary to enforce the terms of this Assurance within the District Court of Denver County, Colorado.

52. A violation of any terms of this Assurance shall constitute a prima facie violation of the CCPA under C.R.S. § 6-1-110(2). If the Attorney General believes that the CCC&P Parties have violated any term of this Assurance, the Attorney General shall be entitled to file a civil action under the CCPA and seek an injunction or other appropriate relief from such court to enforce provisions of this Assurance.

53. In any such action, upon a showing by the Attorney General of a material violation of this Assurance by the CCC&P Parties, the CCC&P Parties stipulate to (1) a judgment in the amount of one-hundred and thousand dollars (\$100,000.00), which reflects the suspended payment described in paragraph 31, plus any fines not yet paid described in paragraph 30 above; and (2) an order converting this Assurance into a permanent injunction against the CCC&P Parties. The Attorney General may seek, and the Court may enter, any additional remedies, including but not limited to additional monetary remedies, that are deemed proper.

54. The CCC&P Parties agree to waive any counterclaims that it may have had with respect to the subject matter of this Assurance and agree to limit any defenses to (1) whether a violation has occurred; and (2) the remedies for the violation. Provided, however, the Attorney

General shall notify the CCC&P Parties at least thirty (30) days in advance of any such filing and the Parties agree to meet and confer and engage in good faith negotiations to attempt to address the Attorney General's concerns.

IX. MISCELLANEOUS PROVISIONS

55. This Assurance is the final, complete, and exclusive statement of the Parties' agreement on the matters contained herein, and it supersedes, terminates, and replaces any and all previous negotiations, agreements, and instruments as may exist between the parties. Other than any representation expressly stated in this Assurance, the Parties have not made any representations or warranties to each other, and no Party's decision to enter into this Assurance is based upon any statements by any other Party outside of those in this Assurance. No change or modification of this Assurance shall be valid unless in writing and signed by all Parties. If any provision(s) of this Assurance is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

56. This Assurance shall neither create nor waive or otherwise affect any private rights or remedies in any third parties nor waive any rights, remedies, or defenses of the Parties with respect to any third parties. Under no circumstances shall this Assurance or the name of the Attorney General or any of the Attorney General's employees or representatives be used by the CCC&P Parties or any person under their direction or control to suggest the Attorney General's endorsement of the CCC&P Parties' past, present, or future conduct.

57. Nothing herein relieves the CCC&P Parties of their duty to comply with all applicable laws, regulations, or rules of the State of Colorado nor constitutes authorization by the Attorney General for the CCC&P Parties to engage in acts and practices prohibited by such laws.

58. The CCC&P Parties acknowledge that it is the Attorney General's position that an agreement restraining certain conduct by a party does not prevent the Attorney General from addressing later conduct that could have been prohibited, but was not, in the earlier agreement, unless the earlier agreement expressly limited the Attorney General's enforcement options in that manner. Therefore, nothing herein shall be interpreted to prevent the Attorney General from taking enforcement action to address conduct occurring after the Effective Date that the Attorney General believes to be in violation of the law. The fact that such conduct was not expressly prohibited by the terms of this Assurance shall not be defense to any such enforcement action.

59. The terms and provisions of this Assurance may be enforced by the current Colorado Attorney General, and by any of his duly authorized agents or representatives, as well as by any of his successors-in-interest, and by any of his successors-in-interest's agents or representatives.

60. Pursuant to C.R.S. § 6-1-110(2), this Assurance shall be a matter of public record.

61. The CCC&P parties acknowledge that they had a full opportunity to review this Assurance and consult with legal counsel regarding it. The undersigned individuals and representatives of CCC&P agree and represent that they have each read and understood this Assurance, accept the legal consequences involved in signing it, and that there are no other representations, agreements, or understandings between the Attorney General and the CCC&P Parties that are not stated in writing herein.

62. This Assurance may be signed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute the Assurance. Electronic copies of this Assurance and the signatures hereto may be used with the same force and effect as an original.

X. NOTICE

63. All notices regarding this Assurance shall be sent by certified mail, return receipt requested or reputable overnight delivery service (e.g. FedEx, UPS) at the addresses set forth below unless any Party notifies the other Parties in writing of another address to which notices should be provided:

CCC&P Parties
C/O: Cookies Creative Consulting and Promotions, Inc.
Attn: Parker Berling, parker@cookiescalifornia.com
11516 Downey Ave.
Downey, California 90241

With copies to legal counsel by Regular U.S. Mail and email:

Kight Law Office
Attn: Rod Kight, Rod@kightlaw.com
PO Box 2215
Ashville, NC 28802

If to the Attorney General:

Colorado Attorney General
1300 Broadway, 9th Floor
Denver, Colorado 80203
Attn: Lauren Dickey, First Assistant Attorney General, lauren.dickey@coag.gov
Attn: Nathan Mattison, Assistant Attorney General II, nathan.mattison@coag.gov
Attn: Ryan S. Miller, Assistant Attorney General II, ryan.miller@coag.gov

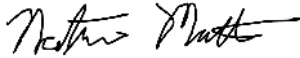
64. The effective date of this Assurance shall be May 14, 2025.

[Signatures appear on the following page(s)]

**ATTORNEY GENERAL OF
COLORADO:**

**PHILIP J. WEISER,
ATTORNEY GENERAL**

By:

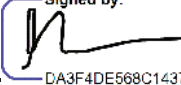
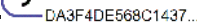


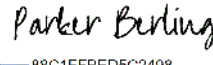
Nathan Mattison
Assistant Attorney General II
Attorney Reg. No. 59034



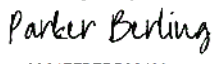
Ryan Miller
Assistant Attorney General II
Attorney Reg. No. 59026

THE CCC&P PARTIES

Signed by:  5/12/2025
By:  DA3F4DE568C1437...
Name: Gilbert Anthony Milam, Jr., in his individual capacity

DocuSigned by:  /2025
By:  88C1FFBED5C2498...
Name: Parker Berling, in his individual capacity

**Cookies Creative Consulting and
Promotions, Inc.**

DocuSigned by:  2/2025
By:  88C1FFBED5C2498...
Name: Parker Berling
Title: President

DocuSigned by:  5/12/2025
By:  1DC93CD59DDF498...
Rod Kight
Attorney for The CCC&P Parties