



Industry Bulletin: 25-07

RE: Judge Dismisses Mammoth Farms lawsuit

Dear Interested Parties:

On May 15, the Denver District Court denied the request for preliminary injunction and dismissed the lawsuit filed by Mammoth Farms against the Colorado Marijuana Enforcement Division and State Licensing Authority, stating:

“[T]he Complaint in this case requests the court to compel the Agency to comply with its statutory mandates to establish new requirements, regulations and systems to track marijuana effectively, and identify violations that provide ground for enforcement. ***The Complaint attempts to circumvent the process*** put in place to...first request the Agency to implement these regulations prior to judicial review.”

The Division acknowledges the efforts of its legal team in the Attorney General’s office for their representation that led to the dismissal of the case, allowing the MED to resume its focus on its regulatory oversight and enforcement duties. The Division remains dedicated to prioritizing the deployment of its resources to protect consumers and prevent youth access and will not tolerate licensees engaging in the deliberate disregard of requirements that put youth or consumers at risk.

The Division takes complaints about the diversion and inversion of marijuana seriously, and in April 2024, issued a Notice regarding the [“Use of Chemically Derived THC in the Manufacture of Regulated Marijuana Prohibited.”](#) MED investigations led to enforcement action against manufacturers when evidence found they were engaging in the conversion of hemp into THC in violation of the law and rules. Other investigations are ongoing.

The Division values opportunities to collaborate with others, including the licensed community, in a manner that demonstrates a shared interest in prioritizing public safety and will deploy its limited resources as necessary to defend its actions against these lawsuits. The Division encourages licensees to report information that can inform investigations and share feedback on measures that can enhance public safety. The multiple avenues for those communications include public work groups, public rulemaking meetings, and online complaint forms, among others. For example, concerns raised by licensees informed recent discussions in [the Science and Policy work group](#). (Information about this work group is available on the MED website).

“When there are concerns about bad actors and safety risks in the regulated market, a licensee’s willingness to provide information is not something we take lightly,” said Dominique Mendiola, senior director of the MED. “There are legal requirements we must follow to maintain the integrity and legality of our agency actions, so it’s important to let investigations and due process take their course. We will continue to assess and refine how we carry out our work and value perspectives from the regulated industry that supports these efforts. We encourage participation in the forums we offer for public input and appreciate those who use the multiple avenues available to engage with our agency.”

The Division is primarily funded by the fees collected from licensees to cover the direct and indirect costs of implementing the program – including the cost to cover legal fees. We are prepared to make investigation information available as allowed by the law; however, pending investigations are not public information and the law requires the MED to maintain the confidentiality of investigations and information obtained from licensees until there is a final agency action. [All final agency actions are posted on the Division’s website](#).