

Cookies Sued Over \$4.75M in Unpurchased Cannabis Products

San Francisco's Iconic Cannabis Brand Cookies Sued for Alleged Unpaid \$4.75 Million in Hemp Products

San Francisco's famous cannabis brand, **Cookies**, is facing new legal trouble as a former partner company, Cookies Retail Products (CRP), filed a lawsuit alleging that Cookies failed to pay for \$4.75 million in cannabis products and used "stolen property" to fraudulently enrich itself. The lawsuit, filed last week in Los Angeles County, highlights Cookies' dealings in the hemp sector, a segment of the cannabis market where products can legally be sold nationwide.

Cookies and CRP: A Partnership Gone Wrong

Cookies, widely recognized in the cannabis industry for its high-potency strains and popular streetwear merchandise, partnered with CRP in 2021 to expand its reach into the hemp market. Hemp-based products such as vapes, gummies, and pre-rolled joints have been an increasingly profitable segment, and the partnership was designed to capitalize on this demand. However, according to the lawsuit, the relationship soured, leading to a formal termination of the partnership in April 2023.

As part of the termination agreement, Cookies was obligated to purchase \$4.75 million worth of remaining hemp products from CRP. The lawsuit details that approximately 100 different products were included in the contract, ranging from vape cartridges to pre-rolls. CRP now alleges that Cookies, through an associated company called PTB Investment Holdings, received at least some of these products but failed to pay for them.

Claims of Fraudulent Enrichment and Damages

CRP's lawsuit accuses Cookies of using the unpaid-for hemp products as "stolen property" to bolster its own sales, causing significant financial harm to CRP. Although the lawsuit does not specify how much of the product was transferred back to Cookies, CRP claims that Cookies exploited these goods to drive revenue, resulting in damages estimated to be no less than \$50 million. The complaint labels this alleged misappropriation as "fraudulent," asserting that Cookies benefited from CRP's property without fulfilling its financial obligations.

A Demand for Jury Trial and \$12.5 Million in Damages

CRP's lawsuit calls for a jury trial and is seeking a minimum of \$12.5 million in damages. This figure is based on losses related to the unpaid hemp products and additional compensation for what CRP describes as fraudulent conduct. The lawsuit adds a layer of complexity to Cookies' brand, which has already garnered widespread popularity for its cannabis products and apparel but now faces serious legal and financial challenges.

Cookies, co-founded by Bay Area rapper **Berner** (legal name Gilbert Milam Jr.), has not yet responded publicly to the lawsuit. Berner's influence has propelled Cookies to international prominence, making it a recognizable name among cannabis enthusiasts. However, this lawsuit threatens to tarnish its reputation as one of the most trusted brands in the industry.

The Future of Cookies Amid Legal Scrutiny

This lawsuit may have significant implications for Cookies' business dealings, especially as it navigates the increasingly competitive and regulated cannabis and hemp markets. While Cookies has positioned itself as a leader in the marijuana sector, offering a wide range of high-quality products, this legal battle could impact its financial stability and public perception.

Cookies has not yet provided a statement regarding the allegations, but as the case proceeds, the cannabis industry will be watching closely.

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