

# Cookies Wins \$22.7M in Lawsuit, Future of Stores Uncertain

## Cookies Secures \$22.7 Million Arbitration Award Amid Ongoing Legal Battle With Nationwide Retail Partner

*Dispute Centers on Royalty Payments and Unauthorized Use of Intellectual Property Across Dozens of Cannabis Stores*

Cookies, one of the most prominent and culturally recognized brands in the U.S. cannabis industry, has secured a final arbitration award totaling \$22.7 million against a retail partner accused of failing to pay royalties and misusing its intellectual property. The award, issued June 2, 2025, by retired San Francisco Superior Court Judge David Garcia, follows months of legal proceedings and a previous interim decision delivered in February.

While the arbitration decision appears to mark a major victory for the San Francisco Bay Area-based brand, the future of its retail footprint across the country remains uncertain. The partner company, Cookies Retail (CRE), which owns and operates several dozen Cookies-branded cannabis stores across multiple states, is now attempting to reverse the ruling in California court.

### **Award Increases After Arbitration Review and Includes Damages, Fees, and Costs**

The final arbitration award builds upon a February 14 ruling that initially granted Cookies \$18 million. The updated figure includes \$17.8 million in compensatory damages along with \$4.8 million in attorneys' fees and legal costs, reflecting a comprehensive finding that CRE breached its contractual obligations and misused Cookies' trademarks.

The decision affirms Cookies' allegations that CRE not only failed to fulfill royalty payment obligations that began in 2020 but also leveraged Cookies' iconic brand image and proprietary materials to raise outside capital—without authorization.

Cookies, which operates under an asset-light model and is partially owned by Gilbert Milam (known in the music world as Berner), developed the globally recognized light-blue branding and signature "C" logo associated with its cannabis products. These elements formed the cornerstone of Cookies' retail agreements with CRE and were intended to be used strictly under licensed terms.

### **Retail Partner Attempts to Overturn Ruling in State Court Alleging Judicial Misconduct and Fraud**

Despite the decisive nature of the arbitration award, Cookies Retail has responded with a legal counteroffensive. In filings dated June 6, the company asked a second judge to vacate the arbitration ruling,

claiming that Garcia exceeded his authority and that the decision was marred by misconduct and alleged fraud. The filing suggests CRE is attempting to leverage rare exceptions in California law that allow for the reversal of binding arbitration awards—though such efforts typically succeed only under extraordinary circumstances.

Legal experts suggest these motions are unlikely to prevail given California’s strong protections for arbitration decisions and the lack of substantive evidence commonly required to overturn such rulings.

## **History of the Dispute: From Promising Joint Venture to Fractured Relationship**

The roots of the legal confrontation date back to a 2019 joint venture formed by Cookies and Brandon Johnson, principal of Cookies Retail and co-founder of TRP Co., a cannabis investment and operations firm based in Los Angeles. The joint venture involved Gron Ventures Fund, backed in part by Toba Capital founder Vinny Smith.

Under the original 2020 Retail License Agreement, Cookies would provide branded cannabis products and promotional support—particularly leveraging Berner’s massive social media reach—in return for royalty payments on branded product sales and a contractual right to acquire the stores in the future. These stores, located across California, Colorado, Florida, Massachusetts, Oklahoma, and Oregon, were to remain non-exclusive and also carry other cannabis brands.

However, by 2021, Johnson and his partners allegedly deviated from the agreed strategy and created a new operating structure under TRP. At that point, CRE ceased royalty payments, citing market headwinds in the cannabis sector, yet continued to utilize Cookies’ brand assets for operational and fundraising purposes.

## **CRE’s Additional Legal Maneuvers Against Cookies Have Largely Failed in Court**

In addition to attempting to overturn the arbitration decision, Cookies Retail launched separate lawsuits aimed at undermining the enforceability of the original license agreement. Among these were claims that Cookies operated as an unregistered franchise in violation of California business law and that the company had breached a separate agreement granting exclusive store rights in New York City.

Both claims have faltered. The New York case was dismissed outright, and the franchising claim was transferred from Orange County to San Francisco, where the arbitration ruling is binding. Cookies also successfully reclaimed internal documents from a former employee, Freddy Cameron, who had taken company materials to Cookies Retail upon departure. These materials were part of CRE’s litigation efforts, which have since lost legal standing under Garcia’s final ruling.

## **Outlook Unclear for Dozens of TRP-Operated Cookies-Branded Stores Across Multiple States**

Although the arbitration decision favored Cookies, the long-term fate of the branded retail locations remains unresolved. These include 16 medical marijuana stores in Florida operated by Cookies Florida—a TRP affiliate under a vertically integrated license allowing for unlimited dispensary sites.

Cookies previously announced its intention in May 2024 to acquire those assets from TRP, but there have been no updates on the progress or completion of that proposed.

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